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ABSTRACT

This document is a transcript of a Congressional hearing on the economic status of women held by the Joint Economic Committee on February 3, 1982. Witnesses who testified at the hearing included Representatives Reuss, Richmond, Heckler, Wylie and Schroeder, Senators Jepsen and Kassenbaum, and a number of women active in women's equality programs. Witnesses focused their discussions largely on two of the problems that confront women today: the inequities faced by women in the labor market and the inability of low-income women to escape poverty and dependence on welfare. Witnesses testified that women's progress in the labor market has been slow, with more than two-thirds of women earning less than $10,000 per year; even for college graduate women, the median was only about 60 percent of the median wage for men. These gaps cannot be explained by differences in skills or productivity, said the witnesses, but have much more to do with occupational patterns, the concentration of women in clerical service and other low-wage jobs and the inability of women living in poverty to find regular employment, even at low wages. Witnesses at the hearing also protested the Reagan administration's proposals for cuts in government programs, which would hit hardest at women and their children: for example, cuts in welfare benefits for women who cannot find any kind of work, and cuts in day-care funding that would make it impossible for mothers of children to work. Reforms were also proposed in the Internal Revenue code to change the income tax filing requirements relating to returns of married couples, and a women's bill of rights was introduced. (KC)

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ECONOMIC STATUS OF WOMEN

HEARING

BEFORE THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

NINETY-SEVENTH CONGRESS

SECOND SESSION

FEBRUARY 3, 1982

Printed for the use of the Joint Economic Committee

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ECONOMIC STATUS OF WOMEN

WEDNESDAY, FEBRUARY 3, 1982

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 2 p.m., in room 2154, Rayburn House Office Building, Hon. Henry S. Reuss (chairman of the committee) presiding.

Present: Representatives Reuss, Richmond, Heckler, and Wylie; and Senator Jepsen.

Also present: James K. Galbraith, executive director; Charles H. Bradford, and Louis C. Krauthoff II, assistant directors; Betty Maddox, assistant director for administration; and Mary E. Eccles and Chris Frenze, professional staff members.

OPENING STATEMENT OF REPRESENTATIVE REUSS, CHAIRMAN

Representative REUSS. Good afternoon. The Joint Economic Committee will be in order for its hearing on the economic status of women, part of its annual inquiry into the economy.

Eight years ago, we held lengthy hearings on the economic problems of women. Witnesses from the administration and from various private sectors described the differential treatment that women were receiving in employment, in earnings, in education, in jobs, by financial institutions and the insurance industries and through the tax, social security and welfare systems. In every one of those, the principle of liberty, equality and sorority was conspicuous by its absence.

It's shocking how many of the same problems confront us today. This hearing will focus largely on two: the inequities faced by women in the labor market and the inability of low income women to escape poverty and dependence on welfare. Sure, there have been notable successes, women who've achieved prominence in their fields, advanced rapidly, have broken down barriers. But for the most part, progress has been slow. Over two-thirds of women who worked in 1980 earned less than $10,000 a year. Even of those who worked full-time throughout the year, 40 percent earned $10,000 or less, and the median was only about 60 percent of the level for men.

These gaps, although they're narrower for younger and better educated women, can't be explained away just by difference in skills or worker productivity. The reasons have much more to do with occupational patterns, the concentration of women in clerical service and other low-wage jobs, which offer little opportunity for advancement. For millions of unskilled women living in poverty, the chief problem is that opportunities for regular employment, even at low wages, just don't exist.

Today's witnesses, in providing a fuller explanation of these problems, will discuss key areas where public policy has been inadequate. The kinds of policy changes now being considered would only make matters worse. The administration is already involved in efforts to weaken enforcement of antidiscrimination laws, to make further reductions in already insufficient resources for job training, day care and other supportive services and to cut spending on welfare by limiting the eligibility of those who work.

Today we are going to be privileged to hear from another bipartisan, bicameral panel of two leaders in the fight for equality, Representative Patricia Schroeder of Colorado and Senator Nancy Kassebaum of Kansas. After these two initial witnesses, we shall hear from a panel consisting of Ray Marshall, the former Secretary of Labor, now professor of economics and public affairs at the University of Texas, Barbara Bergmann, professor of economics at the University of Maryland, Nancy Barrett, professor of economics at American University, Eileen Stein, formerly general counsel to the U.S. Civil Rights Commission, and Mary Ellen Verheyden-Hilliard, director of the equity institute and project director of the Women's Education Equity Act.

Senator Kassebaum, I'm told, is on her way, and I think she will arrive momentarily. Meanwhile, I'd like to ask our vice chairman, Senator Jepsen, for his comments.

Opening Statement of Senator Jepsen, Vice Chairman

Senator Jepsen. I just want to commend you, Mr. Chairman, for having this panel and holding this hearing. A sluggish economy, high interest rates, and high inflation have been the partial causes of the increasing number of women who do work outside the home, somewhere over 50 percent at this time. And where we have made, as you say, great strides and steps, there's still some ground to be covered in making sure that, indeed, equal pay for equal work and other areas of equality are a matter of fact rather than fiction.

We are all going to be working together on this issue in the coming months. It is a very timely subject to address.

I don't have any further comments. I was trying to help my distinguished colleague, Senator Kassebaum. I was stalling for time a little bit here. [Laughter.]

Representative Reuss. I would like to welcome again one of our finest committee members, Representative Heckler, the gentlelady from Massachusetts, who I know will want to say that she's here.

Opening Statement of Representative Heckler

Representative Heckler. With pleasure, Mr. Chairman. I want personally to thank you for calling this hearing, for your continual and longstanding recognition of the significance of the role of women in our society, and your support for legislation that advances the causes of women and the general concern and sensitivity to the problems that women have faced. I think that the very fact that the hearing is being held is a compliment to you, Mr. Chairman, and to the concern that we all feel on the subjects of equality and equity and fairness in our society.

I look forward to the testimony. I frankly feel that there has to be much more public awareness of the problems that women face in this economy. I also feel that there have to be more alternative options for a solution offered. We in the Congresswomen's Caucus—of which I am a cofounder, and presently share the chair with my colleague, Congresswoman Pat Schroeder—have on a bipartisan basis sought to advance the role of women in this society. But frankly, infinitely more needs to be done—and much of what we have done remains threatened.

I feel that in many areas we have gained only a first down when we thought we had won a victory with the passage of legislation. So the reconsideration of prior victories has to be an agenda for congressional action on a bipartisan basis. The caucus, which now includes many men, will be working on that kind of an agenda.

I personally look forward to the testimony of all the witnesses and to the solutions that, hopefully, they will advance. The awareness that is overdue will have to be joined and linked with an agenda for action, if we're going to have any effective redress to the economic inequalities and inequities that women have felt.

Thank you for calling the hearings. I thank my colleagues from the committee who are here and my colleagues from the committee and the Congress who have been so helpful on our economic packages this year.

Representative REUSS. Thank you, Congresswoman.

Senator Hawkins, a member of this committee, has submitted an opening statement and it will be placed in the hearing record at this point.

[The opening statement of Senator Hawkins follows:]

Opening Statement of Senator Hawkins

I am especially pleased that this hearing today will concentrate on the major changes of recent years in the economic status of women. Representative statistics demonstrate how remarkable the changes have been. In the 1970s, three out of five people entering the labor force were women, and in 1979, women filled 1.4 million of the 2.1 million new jobs created. This influx drove the labor force participation rate for women to 52 percent, up from 43 percent in 1970, and from 35 percent in 1950. That means a record number are now holding positions in the labor market.

Interestingly, beginning in 1980, married women with children were more likely to be in the labor force than those who do not have children. The unemployment rate for women who maintain families was 10.6 percent in December 1981, while the unemployment rate for all married women in December 1981 was 6.7. So, married women with children are having a more difficult time finding work than women without them.

Even though women are increasingly moving into higher paying professional and managerial jobs, a large gap remains between the amounts earned by men and women, a gap estimated at 59¢ on the dollar. And professional improvement has occurred chiefly in business rather than in nonprofit or government sectors.

It appears, therefore, that private sector growth--rather than growth in government--is especially important for women. One reason for the gap is the nature of jobs now held by women. Data from the National Commission on Working Women show that 80 percent are employed are in "female" occupations: secretary, clerical, retail sales clerk, semi-skilled operators in light manufacturing, or in professions such as nursing and teaching.

To facilitate women working, indeed to end discrimination against working women with children, I believe we must encourage development of more day-care centers. I was, therefore, pleased that the Economic Recovery Act of 1981 included provisions increasing the child care tax credit for eligible individuals. But we also need tax incentives for business to encourage them to offer child care for employees.

To conclude: With vigorous private sector growth and increased availability of day-care centers, I believe the economic prospects of women will improve. While the current recession hurts everyone, viewed from a long-term perspective, the future for working women looks more promising than it has at many other times in our history.

Representative REUSS. We're delighted this afternoon that our committee is joined by a number of Representatives who, by their lifework, have shown their dedication to equality, and I would like to welcome on our side, Representative Lindy Boggs of New Orleans.

STATEMENT OF HON. CORRINE C. (LINDY) BOGGS (MRS. HALE), A U.S. REPRESENTATIVE IN CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF THE STATE OF LOUISIANA

Representative BOGGS. Thank you very much, Mr. Chairman, I'm honored to be here to sit with this prestigious committee, especially to be with my colleague from Massachusetts, Representative Heckler, who has been in the forefront of the fight for the economic status of women, and to think about its impact on family income and well-being.

The elimination of economic inequities is long overdue, Mr. Chairman. Even 20 years ago it was clear that economic issues were the most critical issues facing women. Today rising inflation has placed demands on women in their families which were unknown in the past. This, combined with a history of discrimination, has put overwhelming pressure on them. Women's need for economic justice has never been greater.

I commend the Joint Economic Committee for placing this crucial issue on its agenda. I thank you very much for gathering the magnificant panel of witnesses and for hearing my colleagues, Congresswomen Schroeder and Senator Kassebaum, on this very crucial issue, and we look forward to sitting in with you and to having continued hearings on the issues of economic importance to women and to make certain that you're involved in all of the hearings and all of the briefings that we have that will keep you current with what comes to the Congresswomen's Caucus and to our individual attention. And we thank you again, you and other members of the committee.

Representative REUSS. Thank you, Representative Boggs.

We're also delighted to have with us another strong voice for equity over the years, Representative Carl Purcell of Michigan.

STATEMENT OF HON. CARL DUANE PURSELL, A U.S. REPRESENTATIVE IN CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF THE STATE OF MICHIGAN

Representative PURCELL. Thank you, Mr. Chairman. I would like to submit a prepared statement and also congratulate you and particularly the women in Congress who are, I think, going to lead this fight, and I think we're going to join in that effort. Regardless of administrations, I think it's important that equal pay and the issues before the American public be brought out. We hear a great deal of talk on the B–1 bomber and the MX missile and a lot of issues that men seem to generate, a lot of agenda and congressional time, and I hope we change that attitude here with a little spirit of looking to women's issues in terms of equity on the congressional agenda for the next couple of years.

Thank you.

[The prepared statement of Representative Pursell, together with attachments, follows:]

PREPARED STATEMENT OF REPRESENTATIVE PURSELL

Mr. Chairman, I am pleased to be accorded this opportunity to present my views and recommendations regarding the economic status of women. It is my hope that these hearings will be the formal beginning of a truly bipartisan effort in 1982 that will result in effective legislative action before final adjournment of the 97th Congress.

The dramatic increase in women's participation in the labor force in recent years has been one of the Nation's most significant economic phenomenon. In the 1950's approximately one-third of the total labor force was comprised of women: by 1980 more women were employed (51.7%) than men. Despite this trend, the call of "equal pay for equal work" must still be made, along with that for equal working conditions and other benefits.

Another serious concern relates to the particular problems of single heads of households. For example, approximately 83% of one parent families are women; while only 4% of the divorced women in the U.S. receive alimony and only 22% have the benefit of child support, even though 90% of the divorces grant the women custody of the children.

Meanwhile, one of the most severe forms of economic discrimination results because our laws fail to attach an economic value to services done by women in the home. Accordingly, any attempt to study the economic status of women must not only look at the fate of the so-called "working women," but also homemakers and other family members as well.

As one who voted in the Michigan State Senate to ratify the proposed Equal Rights Amendment (ERA) and here in the U.S. House of Representatives to

extend the ratification period, I have been distressed that the ERA has not yet become a part of the Constitution. Nevertheless, enactment of the ERA would not overnight do away with sex discrimination. With or without it, governments at both the state and federal levels need to make comprehensive analysis of their statutes and take action to ensure that the general concept of equal rights proclaimed in the ERA is embodied in laws and regulations dealing with specific matters affecting women.

Despite disappointments, there has been progress made in the cause for equal rights during the past year. The "Economic Recovery Tax Act" signed into law in August reduced the so-called "marriage penalty" and addressed other inequities, including limitations in Individual Retirement Accounts and estate tax exemptions.

1981 saw the first woman appointed to the U.S. Supreme Court and as Ambassador to the United Nations. I was particularly proud to play a role in the appointment of two women from my state of Michigan to high government posts -- Loret Ruppe as Director of the Peace Corp and Dr. Carolyne Davis as head of the Health Care Financing Administration.

During the 96th Congress, I held a series of meetings with women in my Congressional district to study various legislative proposals directly affecting women and to secure a consensus on a "Women's Bill of Rights" package of proposals. Subsequently, I have been working here with members of the Congresswomen's Caucus and other colleagues on this concept. Accordingly, I was pleased this past year with the introduction of the "Economic Equity Act" (H.R. 3117 and S. 888), which incorporates a number of the proposals backed by the women in my District.

The Economic Equity Act (EEA) is one of the most comprehensive economic rights packages ever introduced in Congress. It is comprised of 7 titles, encompassing 11 legislative areas. Briefly...

Title I affects tax and retirement matters. It would

- o allow homemakers to open their own "Individual Retirement Accounts" (IRAs);
- o "reform" private pension laws;
- o provide that the standard deduction (zero-bracket amount) for heads of households be equal to that of married couples filing jointly;
- o entitle former spouses of military members, married 10 or more years, a portion of the member's public retirement pension; and
- o allow a tax credit to employers for hiring displaced homemakers.

Title II would

- o allow employers to offer day care services as a tax free fringe benefit and modifying the present tax credit provisions.

Title III would

- o eliminate gender-based distinctions in promotion and separation standards in the armed forces.

Title IV affects agricultural estate tax. It would

- o reduce the estate tax for widows who inherit farms, making it easier to retain family ownership. (Substantial parts of this provision are in the Economic Recovery Tax Act.)

Title V would

- o prohibit discrimination in all types of insurance on the basis of race, color, religion, sex, or national origin.

Title VI would

- o eliminate a number of federal regulations reflecting unequal treatment of women and men.

Title VII would

- o provide for a study by the Department of Justice of the problems of enforcing alimony and child support payments.

Needless to say, the EEA is not the total answer. However, it appears to be the most workable and effective vehicle presently available for meaningful legislative action toward the goal of eliminating sex discrimination. Accordingly, I would like to urge my colleagues to join me in cosponsoring H.R. 3117 and in urging prompt and serious consideration of it by both Houses of Congress.

In addition, I would like to take this opportunity to formally submit for the official record those other "consensus proposals" backed at the study sessions in my District. I ask unanimous consent that they be printed in the record at this point.

Furthermore, I would like to make special reference to one of those proposals, which I have introduced as a separate bill (H.R. 5234) -- "Tax Averaging Equity Act." This measure was not only endorsed, but actually created, by a task force in my District. This legislation is aimed primarily at those women who have been career homemakers and are displaced from their family role without any source of financial security because of divorce or the death of their spouse. In essence, H.R. 5234 would allow qualified individuals to disregard the income of a former spouse in the computation of base period income for income averaging purposes and figure their tax liability on their own income only.

In conclusion, the goal of these efforts, the ERA, EEA, and the "Women's Bill of Rights", is to provide the women of our society economic and political equality. Such a goal is not only just, but pragmatic. Until equality is achieved, we as a people will continue to be deprived of valuable contributions women have to make. All too often, much of the hard work, talent and brainpower of women is forsaken. It is in our country's best interest to tap that natural resource to the greatest degree possible.

97TH CONGRESS
1ST SESSION

H. R. 2217

To amend section 1304 of the Internal Revenue Code of 1954 relating to income tax returns of married individuals.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 1981

Mr. PURSELL (for himself, Mr. TRAXLER, Mr. PANETTA, Mr. LAGOMARSINO, and Mr. STOKES), introduced the following bill; which was referred to the Committee on Ways and Means

---

A BILL

To amend section 1304 of the Internal Revenue Code of 1954 relating to income tax returns of married individuals.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Tax Averaging Equity Act".

PURPOSE

SEC. 2. That (a) subsection (c) of section 1304 of the Internal Revenue Code of 1954 (relating to failure of certain married individuals to make joint return, etc.) is amended by

redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) INCOME AND DEDUCTIONS OF FORMER SPOUSES OF CERTAIN INDIVIDUALS NOT TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—In the case of—

"(i) any qualified individual who is not married for the computation year but who was married for any base period year, or

"(ii) any qualified individual—

"(I) who is married for the computation year, and

"(II) who was married to any other spouse for any base period year,

the base period income of such individual for any base period year shall be determined without regard to paragraph (2).

"(B) QUALIFIED INDIVIDUAL DEFINED.—For purposes of this paragraph, the term 'qualified individual' means any individual the base period income of whom (determined without regard to paragraph (2)) for any base period year is not more than 85 percent of the base period income which would result from combining his income and deductions for such year—

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"(i) with the income and deductions for such year of the individual who is his spouse for the computation year, or

"(ii) if greater, with the income and deductions for such year of the individual who was his spouse for such base period year.".

(b) Paragraph (2) of section 1304(c) of the Internal Revenue Code of 1954 (relating to minimum base period income) is amended by striking out "For purposes of this part," and inserting in lieu thereof "Except as provided in paragraph (4), for purposes of this part,".

SEC. 3. The amendments made by the second section of this Act shall apply to computation years ending after the date of the enactment of this Act, and to base period years applicable to such computation years.

O

"Womens' Bill of Rights"

-------- Permit an individual to simultaneously receive both an old-age or disability insurance benefit, as well as a widow's or widower's insurance benefit.

-------- Carry out the recommendations of the Presidential Task Force on Womens' Rights and Responsibilities by amending the IRS, Social Security, Civil Rights and Defense laws to alleviate discrimination based on sex.

-------- Remove "economic profitability" as a factor upon which employers can base a wage differential between employees.

-------- Allow two-earner couples the option of filing their income tax as if they were single. (This proposal was somewhat satisfied in the "Economic Recovery Tax Act.")

-------- Allow homemakers to open their own "Individual Retirement Accounts" (IRAs).

-------- Provide that seniority systems that perpetuate the effects of past discrimination shall not be exempt from the prohibition against unlawful employment practices. (This measure is aimed at Congressional employees.)

-------- Allows a tax credit to employers for hiring displaced homemakers.

-------- "Nondiscrimination in Insurance Act"

-------- Entitle former spouses of military members, married 10 or more years, a portion of the member's retirement pay.

Representative REUSS. Representative Richmond of New York, a valued member of the committee. Please proceed, Congressman.

OPENING STATEMENT OF REPRESENTATIVE RICHMOND

Representative RICHMOND. Thank you, Mr. Chairman. I don't usually make opening remarks, but it occurs to me how singularly important these hearings are, because this Nation is faced with a two-class society. We have 40 million people, 20 million people who live below the poverty level, 20 million people who live at the poverty level, and then the rest are middle-class people who are enjoying the great American life. I think the conservative Reagan administration ought to pay a little attention to those 40 million people, most of whom are either women or children, as we all know, and realize that if we could help these 40 million people to become equally productive, taxpaying, educated, healthy individuals, we would resolve one of the largest single problems our nation has today.

Therefore, Mr. Chairman, I do want to congratulate you on having these hearings, because anything we could do to bring to the fore the problems of women in the United States, I think will undoubtedly help the whole American economy. Thank you.

Representative REUSS. Thank you.

Representative Bill Green, my old friend from New York. Please proceed.

STATEMENT OF HON. S. WILLIAM GREEN, A U.S. REPRESENTATIVE IN CONGRESS FROM THE 18TH CONGRESSIONAL DISTRICT OF THE STATE OF NEW YORK

Representative GREEN. Thank you, Mr. Chairman. You see I couldn't stay away, even though you left the Banking Committee and I left it the same time as you left.

I do want to thank you very much for your thoughtfulness in permitting Members of the House who are not members of the Joint Economic Committee, but who are very concerned with the issues that you're covering today, to participate in these hearings. I think the charts that you have here spell out the problem, and we should take time to see what the committee has already assembled by way of dat . We made some progress last year on the tax bill, H.R. 4242, but we still have a long, long way to go, and I commend you for continuing to focus public attention on this issue.

Representative REUSS. Representative Barney Frank from Massachusetts——

Well, the Queen's messenger has arrived, and we thank you. We filled the interim very well.

Congresswoman Schroeder, would you kindly proceed.

STATEMENT OF HON. PATRICIA SCHROEDER, A U.S. REPRESENTATIVE IN CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF THE STATE OF COLORADO

Representative SCHROEDER. Thank you very much. I must say, after all the wonderful opening statements, I feel like I'm talking to the

choir, but I know Margaret, Lindy, and I, as well as Senator Kassebaum, are especially thrilled to have this great opportunity to bring this in front of the Joint Economic Committee, because it has been something Congresswomen have been working on for a very long time, and sometimes we feel like we talk to ourselves. So it's wonderful to see how well-briefed all of you already are, and how we can all work together in a coalition to make this a little better.

Mr. Chairman, I was sitting here listening to all of this, I was thinking, "Now what am I going to tell the choir? I've got the same facts that they've heard from the panel and that they probably already know." And it suddenly dawned on me—I've been reading a book of late, Mr. Chairman, that I'd like to share with all of you, because I think there's some great irony that we're talking about the same issues 90 years later. If you go back to 1892, there was the 400th anniversary of Columbus' founding of America going on in Chicago. I know Congresswoman Heckler will love this, because this sounds like today. The first thing that happened is, some women showed up and were very angry that they didn't put Queen Isabella in there too, because she had paid for it; right? [Laughter.]

The next thing that happened was the men got very angry and said, "That's it. You know we didn't have any women at the centennial. We are going to let you into this, but if you're going to be that way, forget it."

Well, there were the women, and they didn't know what to do. They'd just been shut out. They found a woman named Mrs. Palmer, and if you've been to Chicago, you all know Palmer House, that happens to be the same Palmer. And Mrs. Palmer was a heavy in Chicago. And she headed up the women's group and they put together some very radical things. They put together a women's exhibit hall, done by a woman architect, but they went two steps further. It was almost too much for everyone in the city. They put in a day-care center.

Well, there were editorials that people were going to bring their children, leave them there and never come back. [Laughter.]

It was like they all knew women couldn't wait to get rid of their kids. And here was going to be the city of Chicago with all these foundlings left, because these radical women had done this. They put in a working women's dormitory for 50 cents a night, so working women could come. Well, I want to tell you, 90 years ago working women were considered different kinds of women, and not necessarily the kind you'd want to encourage, and the men weren't too pleased about that.

Interestingly enough, these women under Mrs. Palmer's guidance made money on their exhibition. It was one of the few that did. But the great part is—if I could have been a fly on the wall at some historical moment in the United States, this is one of the times I would have wanted to be on—that the then-President of the United States, Grover Cleveland, came to cut the ribbon and open the exhibition, and we all remember him from our school books. He was rather a formidable man and didn't make an opening statement quite like this illustrious panel. He instead made some comments about the women being there, and how it really wasn't his idea. This may not be the best idea America had ever come up with, but nevertheless he consented to come and cut the ribbon.

The next speaker on the agenda was Mrs. Palmer, and Mrs. Palmer, who had to have an incredible amount of guts, stood up and said,

Mr. President, thank you for your comments. They were interesting. I just want to ask you some questions, since you are such a romanticist and do not approve of working women, I have done a lot of research and want to know what you romanticists would like to do about working women?

She said, No. 1, her statistics, in 1892 in America were that 75 percent of the women were working because they did not have a nice secure family to retreat to. It wasn't because they were tired of eating bon bons. She went on and said:

I have done a lot of research. Other countries handle it in different ways. In some countries they allow husbands such as mine, who are terribly wealthy, to take in as many wives as they can. That solves it. In other countries they control the number of baby girls. Excess baby girls are kind of done away with. In other countries they have this wonderful nostalgic thing of burning the widow at the husband's funeral.

I mean, she really went on in this heavy thing. I can only imagine what Grover Cleveland must have looked like, as this audacious young woman was standing there giving him a lecture. And she was saying:

I think you really ought to join us in training women and helping women. It's not that they want to be there, but we really don't like the "romantic solutions" of other countries, and let's deal with the real world.

I guess the irony of all that is, I was reading that, and I looked at today and looked at my testimony, and it's now 90 years later, and we're still saying the same thing.

They didn't leave any babies there. The women all came back and got them. They liked them. They took them to the day-care center; they came to pick them up. The working women did a good job and so forth.

We are still talking about the fact that women are in poverty, women are still making the same amount of money. We still hear people saying that women going to work is what destroys the family. Hey, all the surveys show that women are going to work to hold the family together, to make family life better, to make their children's life better. It's just really the reverse.

And my testimony is geared toward that. I should probably go through it all, but you're going to hear it from everybody else. It's statistics, statistics, statistics. The statistics aren't really any different than in Mrs. Palmer's time.

I am so delighted that we now have educated men and women up talking about this openly. Let's hope we can take it and move it so that 90 years from now we don't have somebody going through the same thing all over again. People work because they want a better life, and if you deny equal economic status to women, you are denying the quality of life to their family, their children and their future. It's just that simple, and that's what it's all about. So I will put it in the record and be quiet, and say how honored I am to have Senator Kassebaum and my colleagues with me.

[The prepared statement of Representative Schroeder follows:]

Prepared Statement of Representative Schroeder

I am pleased that the Joint Economic Committee is holding hearings on the economic status of women and its effect on family income.

The relationship between women's economic status and the family economic status becomes clearer when one looks at how the traditional structure of the family has changed in the past twenty years:

** The typical one-earner household declined to 25% of all households from 43%.

** The labor force participation rate of married women jumped to 48% of all married women, making two earner households the most common household today.

** The number of children with mothers in the work force (30 million) surpassed the number of children with mothers at home (27.5 million).

** The number of female-headed households has doubled to 18 million from 9 million.

Discussions of the family's economic status generally ignore its relationship to women's economic status. The oversight perplexes me. Trends such as the ones I have just cited, show that the primary reason women are entering the labor force in such unprecedented numbers is to maintain their family's standard of living in the face of high inflation rates and soaring interest rates.

Working women and working mothers are stereotyped as luxury earners. But women work to live, not live it up. Their contribution to the family bank account is crucial.

In over 20% of two-earner families, working women raise family income above the poverty level. In two-earner families, women's income means the difference as to whether the children will go to college, whether the family will be able to buy a house, or whether the family will be able to support an elderly parent. In female single heads of households, where women's income is the sole source of support, the income means the difference of whether the family will be able to meet its most basic needs: groceries, rent, health care.

Because women's income provides the crucial margin of difference for many families, women's income is directly related to family income. When women are at an economic disadvantage in the labor force, families are at an economic disadvantage.

I can't emphasize enough that women work out of economic necessity. There is a myth floating around that employment weakens women's commitment to the family. These people say that granting women equal economic rights heralds the break-up of the family. This myth frequently surfaces during the debate on the Equal Rights Amendment,and here in Congress, as a premise for legislation that seeks to protect the family.

Women work because of their commitment to their families. They don't want to disrupt the family, but to solidify it. If we are really concerned about the survival of the family unit, we will look for policies, such as those that improve women's economic status, that allow families to become economically stable.

A society that places so much value on the family and its well being must also be concerned with how women fare in the labor market. In America today, however, a litany of facts prove that this isn't so:

**Women's equal economic rights are not guaranteed in the U.S. Constitution.

**Women earn 59 cents for every dollar men earn.

**The median income for women with a college education is less than that of men who have a high school education.

** 50% of all employed women can be found in just 4 occupations: clerk, saleswoman, teacher and registered nurse. All of these are traditional female occupations.

**Women are underrepresented as managers, comprising only 25% of all managers.

**Half of women over age 65 and living alone have less than $1,000 in savings.

**Only 9% of women over 65 receive corporate pensions.

**Only 400 women, about 5%, are managers in the top 50 industrial companies.

**None of the chief executive officers in the top 50 industrial companies are women.

It doesn't help women that public policy does not see women's needs as workers integrated with their needs as mothers. Ironically, motherhood, the institution that ties women to the family, restricts women's efforts in the labor force to provide for the family. In many ways, it is comparable to how protective laws hampered women's participation in the workforce.

This is apparent in women's employment patterns. Women interrupt their work years to raise families. That's fine and our society encourages it. But when the children grow up and mother wants to reenter the workforce, she can only find a low paying job, if she can find one at all. The honor she has of being a mother does not pay the rent. There is very little education and training available to her to take a skilled job. She has to pay for the unusual employment pattern in her old age, when she receives an inadequate retirement income.

Public policy has also been slow to recognize the new and diverse family structures resulting from women's participation in the labor force. Programs and policy in the United States are based on the premise that the family is a static unit where the father works while the mother stays at home. But that static approach is irrelevant to 75% of all American families.

Policy must take into account the fluid nature of the family. The family structures I mentioned earlier are stages of every American family. Take the following example. A one-earner famiy through economic necessity may become a two-earner family. Then, through divorce or death, the same family becomes a single head of household. That same family can change again and through remarriage, become a one-earner family. As the structure of this family changes, so do the type and number of support services it needs and appropriate policy responses. Yet our public policy continues to be geared to the one stage of one-earner families.

Women are continuing to flock to the labor market, despite a biased public policy and inequities in the labor force. The current economic condition and the future economic forecast indicate that this is a major and irreversible economic trend.

Acknowledging the permanent entrance of women in the labor force, corporations such as General Mills, and organizations such as the American Association of University Women, have been studying the economic relationship between women, work, and families. I applaud the Joint Economic Committee for also focusing on this issue and would encourage you to further look into how various policies effect the economic survival of families.

Representative REUSS. Your picture is worth 1,000 words. We're glad to have it.

Senator Kassebaum, we're honored to have you here.

STATEMENT OF HON. NANCY L. KASSEBAUM, A U.S. SENATOR FROM THE STATE OF KANSAS

Senator KASSEBAUM. Thank you, Mr. Chairman. It is a real pleasure to be able to appear before the Joint Economic Committee. I know that you, as a past distinguished chairman of the Banking Committee, are very sensitive to the economic inequities that have faced women.

I would also like to commend Senator Jepsen, since he is here today, for the initiative that he has taken in introducing legislation for retirement benefits for divorced military spouses. This has been a fight in which Congresswomen Schroeder, Heckler, and Boggs have long been involved, but I am appreciative of the hearings that you have held in the Senate Armed Services Committee. It is an important piece of legislation.

The Women's Economic Equity Act is a very complex and broad piece of legislation, but I think that one of the positive first steps is the fact that this committee is undertaking a review of the subject, which I feel is central to full equality for women.

A focus on economic concerns is particularly important at this time. We are all very conscious of these considerations today. It is important not only from the standpoint that national attention has centered around aggregate economic matters, presenting an opportunity to address special problems faced by women concurrently with more general efforts to improve the economy, but also because the most severe problems faced by women today are economic in nature.

When we speak of the financial plight of older individuals, we are speaking for the most part about women. When we speak of the growing poverty among single heads of households, we are again referring largely to women. When we discuss the increasing inability of individuals concentrated in low-paying, nonmobile occupations to make ends meet, we find once again women are disproportionately represented.

In dealing with these problems, we must not lose sight of the fact that men have as great a stake as women in finding equitable solutions.

Over the years Congress has made substantial progress toward eliminating provisions of the law which overtly discriminate against women, and certainly the three Congresswomen today have been in the forefront of many of those battles. I have been a follower into those battles, but really think due recognition should be paid to those who were on the barricades early.

GOVERNMENT POLICY OFTEN DISCRIMINATORY AGAINST WOMEN

We are now at the point where we must examine provisions of the law which have the practical effect of treating women inequitably. We are only just beginning to realize that many laws which are gender-neutral on their face have in fact a disproportionate impact on women. Although I will direct my remarks today largely on government policies which have lagged behind societal change, I do want to mention that government is not the only place where change must occur.

Government policy must work in conjunction with individual and private sector forces, if we are to realize our goals.

Many of the economic problems which women face today are manifestations of the lag between changing circumstances and public policy in its broadest sense. At one time, not all that long ago, it was reasonably safe to assume the family unit would be comprised of a breadwinning husband and a homemaker wife in a life-long marriage. It was also reasonable to assume that couples would assume the greatest portion of their later years together, given the fact that about 50 years ago there were about equal numbers of older males and females.

Over the past several years a number of things have happened which challenged these assumptions for a substantial part of our population. I think these figures are figures with which everyone is familiar, and so I am not going to go into all of them. One which is, I think, a particularly significant factor is that the number of women in the labor force has more than doubled since 1950. In 1980, 60 percent of women 16 to 64 were working in paid employment.

Although the trends are apparent, policies dealing with work and retirement have been slow to respond to them. Public and private pension programs, for example, still are better suited to the traditional work patterns of men than women. Under the Employee Retirement Income Security Act, ERISA, a private pension plan need not allow an employee to participate until that employee reaches the age of 25. It also penalizes workers who do not remain with the same employer over most of their working lifetime, or who experience breaks in service with an employer. On their face these requirements are not discriminatory, yet women are at a clear disadvantage in all of these areas. As a rule they begin to work at younger ages than men, switch employers more frequently, and leave the work force for some period of time in childbearing years.

In our social security system many married women who have worked and paid social security payroll taxes for several years find that they receive no more in benefits than they would have received, had they never contributed to the system. In addition, it is currently possible, under both ERISA and civil service retirement, for a worker to elect not to take a joint or survivor annuity option without any notification to the spouse that such an election was made. One can easily imagine the desperation felt by a widowed homemaker who discovers only upon her husband's death that she will not receive the retirement benefits she had expected.

The rapid increase in the divorce rate had a decidedly negative impact on women. Although a great deal has been done to recognize the economic contribution made to a marriage, there are still instances in which a divorced spouse is left without any pension protection irrespective of the length of the marriage. Most notably, military spouses are not entitled to any share in military pensions as part of a divorce settlement.

As decreasing numbers of women remain in the home, we are finally seeing true recognition of the economic value of homemaking. Yet, such recognition is slow to translate into dollars and cents or countable experience in the event that a homemaker needs an outside source of income. As more women enter the workforce out of economic necessity, salary discrepancies between jobs traditionally held by women

and those traditionally held by men become an even more glaring problem. In addition, as the numbers of two-earner couples and single heads of household increase, there is a need to examine current patterns of work to accommodate business and family concerns.

As women assume greater economic responsibility within the family, men must assume greater responsibility for other aspects of that life. To an extent, government policies can influence marketplace decisions in this area. For example, the tax bill enacted last year provides incentives for employment to offer day care services for their employees, and we have come a long way from the illustration that you gave, Congresswoman Schroeder. The Government has conducted experiments in flexible work schedules among Federal employees which can serve as a model to private businesses.

The culmination of all these problems can be seen in older women, who as a group are among the very poorest in our society. After a lifetime of caring for both the young and the old in our society, today's older woman more often than not finds herself alone in her later years. Fully two-thirds of married women can expect to spend their last 18 years as widows. The average widow receives approximately $12,000 in death benefits from her husband. Over half of all widows use up all available insurance benefits within 13 months. Thus, an older woman alone becomes one of the growing number of women for whom our assumptions no longer fit.

Clearly there is a great deal to be done toward improving the economic status of women. As a cosponsor of the Economic Equity Act, a package of legislative steps designed to address many of the problems I have mentioned, I am committed to the revision of public policies which impede development of effective solutions. The work ahead will be the search for an appropriate balance among a set of competing demands.

While recognizing that old assumptions do not fit current realities in a growing number of instances, we must also recognize that these assumptions do apply to another substantial segment of our population. One of the strengths of the Economic Equity Act is that it recognizes the diversity of circumstances in which women find themselves. We must take a multifaceted view of the role of women at work and in the home, if we are to achieve our goals.

Thank you very much, Mr. Chairman. We appreciate the opportunity to be here.

[The prepared statement of Senator Kassebaum follows:]

Prepared Statement of Senator Kassebaum

Mr. Chairman, I welcome this opportunity to address the Joint Economic Committee on the economic status of women. I commend the committee for undertaking this review of a subject I feel is central to full equality for women.

A focus on economic concerns is particularly important at this time. It is important not only from the standpoint that national attention has centered around aggregate economic matters--presenting an opportunity to address special problems faced by women concurrently with more general efforts to improve the economy--but also because the most severe problems faced by women today are economic in nature. When we speak of the financial plight of older individuals, we are speaking for the most part about women. When we speak of the growing poverty among single heads of households, we are again referring largely to women. When we discuss the increasing inability of individuals concentrated in low-paying, non-mobile occupations to make ends meet, we find once again women are disproportionately represented. In dealing with all these problems, we must not lose sight of the fact that men have as great a stake as women in finding equitable solutions.

Over the years, Congress has made substantial progress toward eliminating provisions of the law which overtly discriminate against women. We are now at the point where we must examine provisions of the law which have the practical effect of treating women inequitably. We are only just beginning to realize that many laws which are gender-neutral on their face have, in fact, a disproportionate impact on women. Although I will direct my remarks today largely on government policies which have lagged behind societal change, I do want to mention that government is not the only place where change must occur. Government policy must work in conjunction with individual and private sector forces if we are to realize our goals.

Many of the economic problems which women face today are manifestations of the lag between changing circumstances and public policy in its broadest sense. At one time--not all that long ago--it was reasonably safe to assume the family unit would be comprised of a bread-winning husband and a homemaker wife in a life-long marriage. It was also reasonable to assume that couples would spend the greatest portion of their later years together, given the fact that less than 50 years ago there were about equal numbers of older males and females. Over the past several years--as Congresswoman Schroeder has noted in her testimony--a number of things have happened which challenge these assumptions for a substantial part of our population.

Without repeating Pat's testimony, I want to highlight three trends which have a dramatic impact on women:

--The number of women in the labor force has more than doubled since 1950. In 1980, 60% of women 16 to 64 were working in paid employment.
--Currently, 59% of individuals age 65 and over are women; at the oldest ages, women outnumber men 2 to 1.
--In 1940, one in every seven marriages ended in divorce. Unfortunate as it may be, today the marriages of one in three women age 26 to 40 are expected to end in divorce.

Although the trends are apparent, policies dealing with work and retirement have been slow to respond to them. Public and private pension programs, for example, still are better suited to the traditional work patterns of men than of women. Under the Employee Retirement Income Security Act (ERISA), a private pension plan need not allow an employee to participate until that employee reaches age 25. It also penalizes workers who do not remain with the same employer over most of their working lifetimes or who experience breaks in service with an employer. On their face, these requirements are not discriminatory. Yet, women are at a clear disadvantage in all of these areas. As a rule, they begin work at younger ages than men, switch employers more frequently, and leave the workforce for some period of time for child-bearing. The highest labor force participation rate among women occurs among those in the 20 to 24 age bracket. In 1978, 68.3% of the women in this age group worked in paid employment, and this figure is expected to reach over 76% within the next five years.

In our Social Security system, many married women who have worked and paid social security payroll taxes for several years find that they receive no more in benefits than they would have received had they never contributed to the system.

In addition, it is currently possible under both ERISA and Civil Service retirement for a worker to elect not to take a joint and survivor annuity option without any notification to the spouse that such an election was made. One can easily imagine the desperation felt by a widowed homemaker who discovers only upon her husband's death that she will not receive the retirement benefits she had expected.

The rapid increase in the divorce rate has a decidedly negative impact on women. Although a great deal has been done to recognize upon divorce the economic contributions which a woman makes to a marriage, there are still instances in which a divorced spouse is left without any pension protection--irrespective of the length of the marriage. Most notably, military spouses are not entitled to any share of a military pension as part of a divorce settlement.

Younger women, who generally receive custody over minor children, also experience financial problems upon divorce. As a rule, child support payments are quite small and even non-existent in a substantial percentage of cases.

A parallel trend, explained in part by the increase in the incidence of divorce, is the growth in the number of female-headed households. Between 1970 and 1977, the number of such households increased by 35%. In 1977, households headed by women constituted approximately 47% of all poor families. These figures offer a clear challenge to the assumption that only men are bread-winners and that women work only for "extras." Even in cases where the family is composed of two wage earners, economic necessity is the primary reason that women work outside the home.

The influx of women into the paid work force raises a number of issues. As decreasing numbers of women remain in the home, we are finally seeing true recognition of the economic value of homemaking. Yet, such recognition is slow to translate into dollars and cents or countable experience in the event that a homemaker needs an outside source of income. As more women enter the work force out of economic necessity, salary discrepancies between jobs traditionally held by women and those traditionally held by men become an even more glaring problem. In addition, as the number of two-earner couples and single heads of households increase, there is a need to examine current patterns of work to accommodate business and family concerns. As women assume greater economic responsibility within the family, men must assume greater responsibility for other aspects of family life.

To an extent, government policies can influence marketplace decisions in these areas. For example, the tax bill enacted last year provides incentives for employers to offer day care services to their employees. The government has conducted experiments in flexible work schedules among federal employees which can serve as a model to private businesses.

The culmination of all these problems can be seen in older women, who as a group are among the very poorest in our society. After a lifetime of caring for both the young and the old of our society, today's older woman more often than not finds herself alone in her later years. Fully two-thirds of married women can expect to spend their last 18 years as widows. The average widow receives approximately $12,000 in death benefits from her husband. Over half of all widows use up all available insurance benefits within 18 months. Thus, an older woman alone becomes one of a growing number of women for whom our assumptions no longer fit.

The U.S. population as a whole is growing older, with the most rapid growth occurring among women in the 65 or older age group. If we do not begin now to prepare for the challenges which will be presented by demographic changes, we will continue to find that a lifetime of low wages and inadequate pension protection translates into a bleak economic picture for older women.

Clearly, there is a great deal to be done towards improving the economic status of women. As a cosponsor of the Economic Equity Act--a package of legislative steps designed to address many of the problems I have mentioned--I am committed to the revision of public policies which impede development of effective solutions.

The work ahead will be the search for an appropriate balance among a set of competing demands. While recognizing that old assumptions do not fit current realities in a growing number of instances, we must also recognize that these assumptions do apply to another substantial segment of our population. One of the strengths of the Economic Equity Act is that it recognizes the diversity of circumstances in which women find themselves. We must take a multi-faceted view of the role of women at work and in the home if we are to achieve our goals.

Representative REUSS. Thank you both for a remarkable contribution to this committee.

RECESSION AND HIGH UNEMPLOYMENT PARTICULARLY TROUBLESOME FOR FAMILY LIFE

In your testitmony each of you made the point that women have a particularly hard time when there is recession and high unemployment, such as the Nation is now undergoing, and therefore the fight against unemployment ought to be redoubled. I thoroughly agree.

Would you not agree also that there is involved here not just an economic but a social and a psychological point; unemployment in the one who is unemployed tends to bring out the worst that is in all of us. As unemployment increases, increasingly you hear comments to the effect of "a woman is taking my job," or "a black is taking my job," or "a Hispanic is taking my job," or a younger person or an older person or whatever is taking my job. Would you not agree, therefore—and I'll ask each one of you to respond—that this inevitably sour human attitude is going to be with us and the best way to deal with it is to do something meaningful about the general economic situation?

Representative SCHROEDER. Certainly I would agree. I think there are a lot of problems. We have seen the studies showing that while unemployment is on the rise there is a higher instance of domestic abuse, child abuse, all sorts of pressures psychologically that impact on the family. We know that there is a lot of trauma if the husband is out of work and the wife can find some kind of work but it's very menial. That's a real strain. Any of those combinations are a real, real strain at that time, and so I think there have been so many studies showing the connection between what happens to family life when a family gets caught in the unemployment or the down cycle that you don't need to document them all. But they are very serious, and I think that's one of the reasons we should make it very clear that we are committed to getting the economy moving, because that is really the best thing you could do. It's the best medicine for family life in America.

Senator KASSEBAUM. I would certainly concur with that, Mr. Chairman. I think, as I mentioned, the figures that show the tremendous increase in the number of women in the work force has significantly changed patterns. The demographic patterns that show a significant growth in the older population versus the younger are also a significant issue to recognize when we talk about the overall economic picture. Again, women will largely be affected.

Of course, it is hard for us to talk even about some of these issues in the Economic Equity Act at this point because the economy is so slow. On the other hand, we cannot neglect to begin to study how we can address these problems. In particular, we need to be looking at pension policy and other areas where there has already been a considerable amount of study done. It is important to move ahead in some way because it is going to be an arduous task.

Representative REUSS. Thank you. I'm delighted at the very fine attendance here this afternoon, and I'm sorry that I see a number of citizens and taxpayers who are having to stand. We have some extra

seats here, and you're all invited if you want to, to come and occupy them any time.

Representative Heckler.

Representative HECKLER. I'd like to congratulate both witnesses on their as-always excellent testimony. I have worked closely with Congresswoman Schroeder for some time and know of her commitment. And I want to say it's a particular asset for the Congresswomen's Caucus to have such a strong ally and member of the caucus in the other body, and we very much appreciate your strong support, Senator Kassebaum.

ECONOMIC CONSEQUENCES OF MARRIAGE AND DIVORCE

One question I would like to raise is this question of the economic returns to women derived from marriage. I understand the statistics indicate that there has been a substantial decline in this, and that this has further complicated the economic problems that women face today. Would either or both of you like to address that?

Representative SCHROEDER. You said the economic consequences of marriage?

Representative HECKLER. Yes. I was thinking of alimony, actually.

Representative SCHROEDER. I think it is one of the great tragedies, and you know Congresswoman Heckler, because you helped us with it. If you look at the census and how they used to collect data, there is a checkoff for any kind of income you can think of—farm income, municipal bonds, and all this. But alimony and child support were dropped from that in the 1920's, and we really have not collected data since then. So there is the myth that all women are "being taken care of" and so the only reason that any woman would work is because she's bored.

If you look at the statistics that have been collected, which are not as thorough as we would like, you would find that attitude just doesn't meet the criteria; that probably 90 percent of the women in America will have to work at some time for any number of reasons. But, I have always felt that the great American institution that no politician talks about on the 4th of July is the young woman who is 25 who has two or three children and a divorce, doesn't have the job skills she needed because she was told if she just had her Mrs. degree and knew how to deal with ring around the collar, she'd be all right. She has her divorce. She may have $50 a month child support that she may or may not collect because it usually costs her more to collect than it's worth. She probably doesn't have any alimony because very few courts give alimony anymore and she has her whole life in front of her. And that has become an American institution which we have exported all over the world.

It's not something we're very proud of and we don't deal with it. We still talk like all of America is a Norman Rockwell painting, and it isn't. I mean, the charts show it, the figures show it, real life shows it, but we just haven't had public policy deal with it. It's still written in 1932 terms and in Norman Rockwell oils. We just have not dealt with that. So the alimony and child support payments are very, very low and very, very few ever get alimony. I think it's 4 percent what they estimate nationwide.

Senator KASSEBAUM. I don't know that I would have anything further to add. Many women now have to be in the work force because of the inflationary cycle that we have been experiencing for a considerable period of time.

As illustrated by the fact that two-income families have become the norm rather than the exception, two pay checks have become a necessity for many families to keep up with inflation.

Representative HECKLER. Mr. Chairman, the questions are endless and we have many superb witnesses, but I can't imagine two that could exceed the quality of the presentation made today by both of you.

Representative SCHROEDER. Mr. Chairman, we don't always wear the same color. We just want you to know, as cochairs, it just happened. [Laughter.]

Representative REUSS. Representative Richmond.

Representative RICHMOND. Thank you.

FEDERALLY FUNDED JOB TRAINING AND CHILD DAY CARE PROGRAMS

Senator Kassebaum, I heard your remarks with great sympathy. And I know you care about the economic status of women or you wouldn't be here this afternoon. Yet, your administration has done as much to hurt the economic status of women this last year as I have seen in the 7 years that I have been in Congress.

You have cut back job training. We know that there is no way to take that woman on welfare out of her tenement and get her a job at the Metropolitan Life Insurance Co., where they do need file clerks and they do not need clerical people, without giving her some job training.

But your administration has cut back job training by 50 percent. And the other thing we know—and these are given facts, and there's no point in my discussing them with Congresswoman Schroeder because the Congresswoman and I can talk about this on the floor of the House almost on a daily basis—the other face is that without a national day-care program, there is no way in 1 million years that women can possibly get the training that might be offered them in many areas.

As you know, we're the only industrialized country in the world that doesn't have universal day care built into our educational system.

Now, under President Carter were we finally up to 20 percent day care—in other words, 20 percent of the women who needed day care were receiving day care under our Democratic administration. Now, under President Reagan, we're down to 15 percent.

But, Senator Kassebaum, shouldn't you be using your enormous clout, the fact that you're a distinguished Republican leader of the Senate, to educate the administration on the needs of women? There's only you and Senator Hawkins in there. Both of you are intelligent Republicans who can get to the President and make him realize that until we have a better day care program, until we have a better job training program, the taxpayers of the United States are going to keep having to support the women of the United States who really don't want to be supported. They want to go out and work.

Senator KASSEBAUM. First, let me say, Congressman Richmond, I have tried to speak to the interests of women with the administration, as well as the interests of men.

I am a member of the Budget Committee. And as a member of the Budget Committee, I have at heart the economic considerations with which we have to deal in order to break the inflationary cycle that we are experiencing.

I think a good case can be made—because of some of the very reasons that I mentioned earlier—that women are disproportionately hurt when we are in such a period. I also believe that continuing in the direction that we have been going does not necessarily mean improvements cannot be made in either day care or job training.

I am very sympathetic to the need to improve our day care facilities, programs, and initiative. I do not believe that it necessarily needs to come just from government as far as the funding goes.

Representative RICHMOND. Except, as you know, in the entire world, every industrialized country in the world has its day care supported by its national government.

Senator KASSEBAUM. That is true, but some other nations have problems as well in their economies. I also think we have to deal with it as it fits us here.

Now, that is not to say that I do not think we should be very cognizant of some real concerns that are out there. And it is not going to be easy to make some of the shifts that I think are important for us in the future.

Job training is very important, but I do not know if it needs to be directed from Washington. Indeed, we see the differences among communities—Detroit has very different needs, for instance, than Topeka, Kansas. There are similar needs for job training. These needs can be addressed in the States just as well as they can from the Federal Government, as long as we make sure that they do not fall through the cracks. That does not mean that we still cannot be very cognizant of the very things we are talking about here.

Overall, we have had an inflationary pattern that is hurting women and men far more than anything else. If we are ever going to get it under control, I think we have to be willing to find some different solutions.

I am not pretending that I have the answers, nor have I agreed necessarily with all of the approaches that the administration has taken. But I am very sympathetic to the need for new initiatives in finding better solutions than we have in the past.

Representative RICHMOND. Senator, the old initiatives were actually working. And unfortunately, we're still trying to operate under the old initiatives, only with a fraction of the amount of money and a fraction of the amount of services.

Under Secretary Marshall, we were developing a lot of jobs for an awful lot of people, who otherwise would be at home tending their children and probably getting more and more frustrated—because you know how frustrating it is for a mother to be on welfare—alone in her apartment all day long— with one or two children. She doesn't want to be there, nor do the children want to be there.

Senator KASSEBAUM. As a member of the Budget Committee, I am very frustrated with the deficits that seem to be growing every year. I think that is a factor we must consider as well.

Representative RICHMOND. You don't think maybe a better capital investment would be in job training and day care than perhaps some of the money we're spending on defense?

Senator KASSEBAUM. I agree. But there are questions of priorities and approaches that we have to settle. You cannot just say, in black and white, that we are neglecting those concerns. We are really going to have to find different ways to deal with them.

Representative RICHMOND. Thank you.

Representative REUSS. Congresswoman Purcell.

Representative PURCELL. No questions.

Representative REUSS. Representative Boggs.

Representative BOGGS. I would like, also, to add to what my colleagues have pointed out, that the aid to families with dependent children mothers who are working really need to continue to work to have their families have the benefit of their salaries in order to live a better life.

And I would hope that we would address ourselves to making certain that these women are not forced to go off of the payroll and completely on to the welfare rolls.

I wonder if the two of you would address yourselves to that?

Representative SCHROEDER. That's always been one of my concerns. Before I came here, I did an awful lot of legal work at different community centers, and most of my clients that I did the volunteer work for were this specific person you are talking about, the woman who is heading up a household who is going to be third, fourth generation welfare if she can't get some help to get into the job market.

Most of them we got into the job market, but they started at the minimum wage. They were doing things like putting tickets on dresses in the department stores and so forth. It was a great boon for them. I mean, you're a mother 24 hours a day, 7 days a week. You can't leave the office, you know.

And it gets to be very tense if you're living in a housing project in an urban core and every other house is also headed by a female head of household. It's a very, very tough existence.

I would ask everyone to go stay in one of those some weekend and wonder how anyone keeps their sanity, because I used to do that.

The way that these women were able to do it is by our subsidizing their day care. There was no way in the world they could make the minimum wage, pay the going rate for day care, pay their carfare, wear the nylons and so forth they had to wear into the department store to ticket. But it was still much cheaper for the taxpayer to pay their day care than it was to subsidize the whole family on welfare.

I think one of the toughtest things that's gone on in the budget crunch was cutting off of that life raft we had thrown to those kind of women, because those were the kind of women I had for clients, and I must say I was always terribly moved by what they were doing to try to bring up their family. That was their first way out of the project. They were so excited about getting out of the project. And I don't think there's anything crueler or more dangerous in a society than to say "Here is the life raft," they climb up and, just as they're ready to enjoy it, you push them back off and say, "Whoops, not yet. We decided we don't have enough room for you this time."

So, I think that whole thing about working mothers and forcing them to have to go back on welfare is terribly damaging psychologically and it's also more costly.

Senator KASSEBAUM. I would agree with Congresswoman Schroeder in that there is a cycle there. Unless there is something that helps one break out, it becomes a vicious one, generation after generation.

I certainly think there have been efforts to work with businesses that are starting day care programs. There are many initiatives that we should promote to make sure that that assistance is still available. I feel very strongly that it should be.

Funding reductions in a particular program does not mean that the Government needs to determine that those reductions are going to be made in day care, by the way.

Representative BOGGS. Mr. Chairman, I would like to say that I feel that Senator Kassebaum has taken her work for improving the economic status of women where she is, and she's done a very good job in trying to relate, to the other members of her committee and her administration, her feelings in these regards. And it's been very successful.

And she is one of the cosponsors of the Economic Equity Act because it's an act in which all of us can arrive at agreement. If we try to control and correct some of the economic inequities for women, we will have gone a long way to settling problems about pensions and insurance and work force and day care, and so on.

So, I really do compliment her. And I hope that she will be able to prevail upon her administration to go into some of the other areas as well. I'm certain she had tried.

Senator KASSEBAUM. Thank you.

Representative REUSS. Thank you.

We're honored to have with us this afternoon another stalwart member of the Women's Congressional Caucus, Congresswoman Geraldine Ann Ferraro from the Ninth Congressional District of the State of New York.

Representative FERRARO. Thank you, Mr. Chairman.

I just want to commend you for holding these hearings.

I am sorry I was late and was unable to hear the testimony presented by the two witnesses at the table. But we've had many private conversations. I know how strongly you feel about the economic inequities facing women today.

I look forward to the additional testimony.

Thank you for allowing me to join you.

Representative REUSS. Thank you.

Congressman Green.

Representative GREEN. Thank you, Mr. Chairman.

And I thank our colleague from Colorado for her testimony and the Senator from Kansas for hers. I think they were both most illuminating, both from a historical and a current point of view.

I'd like to ask Senator Kassebaum—you, I think, brought out very effectively the fact that social security is in many ways a women's issue because of the fact that, given the demographics and the employment patterns of the past and the longer survival rate of women, they are much more likely to be dependent on the social security system than are men.

You mentioned one area of grievance certainly, and that is that where two spouses work, often one payment is seen as redundant because there are no extra benefits growing from it.

Are there other areas that you'd like to call our attention to where you think there could be improvements in the social security system, things like wives' rights in divorce hearings, and like that?

Senator KASSEBAUM. That is true. There has also been a lot of discussion about the economic value of work at home and whether there is any way to factor that into pension systems.

I know we have all been involved in discussions and hearings on this issue. There has not been any good answer, because I think we have yet—all of us—to make the larger decision as to where we want our pension programs to go. Once that decision has been made, I think these other aspects are going to have to come into play. Of course, there are some glaring problems now in the system, caused largely by social changes that have occurred. As I mentioned, there are some inequities that should be addressed before we go into larger questions of overall pension policy. I do not have a good answer for the treatment of women under Social Security, because we are faced with a system that we worry about being able to fund at this point.

PARTICIPATION OF WOMEN IN LABOR FORCE

Representative GREEN. I wonder if either of you would care to say or guess, or make a projection as to whether you would anticipate the continued growth in the participation of women in the labor force? Or do you think that that has now run its course?

Representative SCHROEDER. I guess I should have never been a historian, because I tend to look at things a little differently. But one of the biggest and most dramatic changes in this society that we haven't talked about is that if you look at the average lifespan of a woman in this country at the turn of the century and the average number of children that she had and so forth, the big difference between then and today was her life, if she had a family, tended to be mainly raising her family. And it was a much more difficult time. You didn't have the laborsaving devices and so forth.

The average woman didn't live to be much older than fiftish; she had almost six children. So, you figure out that by the time they finally got there, you kind of figure that, well, the last one is gone, and that's about it.

The big revolution has come in that you now have much smaller families and women living longer, and that we have reformed a lot of our ideas.

I remind some of the women who are out vehemently fighting women's rights that they got an education which they couldn't have had at the turn of the century; that most of them are professional women, which they couldn't have been at the turn of the century; they're married women who own property in their own name, and they couldn't have done that—a tremendous revolution in women's rights since even 1900, that families now educate women is not considered a frill.

So, I think you're not going to see anything but more and more of an increase in that.

I also have to say, over and over and over again, think about this society. When you walk up to anyone, what do you say to them? You don't say "Who are you?" You say "What do you do?"

And if you say "Well, nothing"—I mean, you're kind of a nothing in this society. We kind of identify people with what they do, with puritan ethic, how you're identified, and so forth. If you say "I'm a mother," that's terrific. But we tend to put people more and more into careers and more and more into what they're doing.

And we figure if you've invested in those educational careers—they may even be a professional volunteer that donates a lot of time. That's what I did before I came. But nevertheless, I think we're going to see more and more of that.

I think we're going to want to use the education and skills that they've gained. And I don't think you're going to see women retrenching back to the 1900's.

Representative GREEN. I wasn't anticipating that, but whether we could expect to see still higher——

Representative SCHROEDER. Oh, I think so. I think you're just going to see more and more and more of that as you go. I don't think people are predicting a turnaround where suddenly we go back to six- and eight-member families, shorter lifespans, and so forth.

So, I think that you just will see more people getting education and using those skills and having their family, and the family will be a stage rather than the double life.

Representative GREEN. Thank you, Mr. Chairman.

Representative REUSS. Congressman Frank, please proceed.

STATEMENT OF HON. BARNEY FRANK, A U.S. REPRESENTATIVE IN CONGRESS FROM THE FOURTH CONGRESSIONAL DISTRICT OF THE STATE OF MASSACHUSETTS

Representative FRANK. Thank you, Mr. Chairman.

I appreciate the chance to discuss this issue, because I didn't get to say it's being damaged by general trends. I was struck by the testimony of both witnesses, both explicitly and implicitly. There was a plea and a recognition of the need for a stronger affirmative role for the government, including the Federal Government, both in the financial area, it seemed to me, and in the regulatory area.

For instance, one of the things that it seems to me, clearly, both witnesses are saying is:

That if the Federal Government were not to do anything further, inequity would persist within the marital relationship; that we have a set of arrangements, laws, rules, and customs now in existence which discriminate unfairly against the female partner in the marriage—in pension and in other areas. Whether in ERISA or whether through civil service or the military, all of which were mentioned, women are discriminated against.

I gather that both witnesses agree this is a case where there was an affirmative need for the Federal Government to do something to correct this situation.

I think that's worth stressing, because there has been, it seems to me, an unfortunately undifferentiated state of rhetoric that says: We must everywhere, at all times and in all ways, reduce the Federal role.

And I am struck. It seems to me, both of you were saying that even in something as intimate as the marital relationship, the Federal Government really ought to intervene, because private pension relationships, in some ways, leave the female partner at a disadvantage—and the Federal Government ought to do something about it.

Is that an accurate interpretation of what you think we ought to be doing?

ECONOMIC INEQUITIES IN MARITAL RELATIONSHIP

Senator KASSEBAUM. I do not know that I strongly advocated the intervention of the Federal Government in marital relationships. I think that the point you are making is that, frequently, we have not known how to handle, or have not even recognized, that inequities exist simply because they have been policy for so long.

Representative FRANK. You do think that the Federal Government has something to do with equity?

Senator KASSEBAUM. In many ways, it has provided the leadership. That has been important.

Representative FRANK. The Women's Equity Act, specifically, of which I am a cosponsor, advances specific proposals for the Federal Government to intervene, where it does not now intervene—and it says pensions must be apportioned fairly.

So, the indication is that the Federal Government is not now doing enough, including the economic relationships between spouses?

Senator KASSEBAUM. Yes; I think this is true as we look specifically at government policies. Benefits to divorced military spouses are a case in point.

Representative FRANK. I thought it was yourself, Senator. Maybe it was Congresswoman Schroeder who mentioned that under ERISA there is an election; there still is the right to elect not to protect the surviving spouse.

Would you change that, then?

Senator KASSEBAUM. I think that should be changed.

Representative FRANK. By Federal action?

Senator KASSEBAUM. Yes. It is the only way that we could.

Representative FRANK. Well, I appreciate that. But that's a case of the Federal Government saying to a husband, "With your privately earned pension, you may not ignore your wife. We, by Federal law, will require you to recognize the economic contribution that your wife made"—of either spouse.

I think that's right. But I think we ought to recognize that that goes to a lot of the general rhetoric that we have that says the Federal Government simply has to pull back.

That's an intervention that the Federal Government is not now making, that you think they should make?

Senator KASSEBAUM. I think so. In this particular case, there is an inequity that exists under that present regulation.

Representative FRANK. Congresswoman Schroeder.

Representative SCHROEDER. I guess I would just say that as long as this Federal Government is collecting equal taxes from women as they collect from men, I think it should afford them equal protection. And I think that's what we're really talking about.

It's interesting. In pensions, some areas, you do better in a pension if you are in the private sector than in the public sector. We have Federal laws that preempt the Federal pension from being split up. It's really crazy. And yet, we say we are pro-family.

But you know, I think that's the whole debate that we're talking about.

There was a legislator in Florida who suggested that all women going to state schools only pay one-third the tuition that the men were paying, because upon graduation, they were only getting job offers for one-third the amount that the men were being paid. [Laughter.]

You could do that with the whole protection thing, and say that then we ought to lower women's tax bills by that amount, and then we can negotiate.

But as long as we are going to be in there for the full stack of chips, we would like equal treatment and equal benefits under the law, and we think that we should be treated equally. That the wife's interest in inheritance of the pension ought to be considered at least equally with the man's, and that it should be not just his decision, under the Federal law.

Representative FRANK. The overriding point, I take it, is that the status quo—both the legal status quo and the customary status quo—in a lot of areas is unfairly discriminatory against women, and that unless the Federal Government takes affirmative action in a variety of ways, that discrimination will be perpetuated?

Representative SCHROEDER. That's what the act is all about.

Representative FRANK. I think it's sort of nice for somebody to say a good word for the Federal Government these days. [Laughter.]

Representative REUSS. Senator Kassebaum and Representative Schroeder, you have given us a memorable afternoon. Many thanks.

We will now ask the panel of Mr. Marshall, Ms. Bergmann, Ms. Barrett, Ms. Stein, and Ms. Verheyden-Hilliard to step forward.

Let me say how delighted we are to have you back, Mr. Marshall, and how proud we are of your leadership and the fact that you have not fallen into innocuous desuetude after your departure from public office.

I am told that you must leave to catch a plane at about 4:15 p.m., and we will bear that in mind. We will see how it goes, but if we aren't through with the panel before that, perhaps we will give members a chance to question you separately. Otherwise, it would be my intention to receive the written statements of all witnesses, which we much appreciate, in full into the record.

Now, I ask you to proceed in your own way, Mr. Marshall.

STATEMENT OF RAY MARSHALL, PROFESSOR OF ECONOMICS AND PUBLIC AFFAIRS, LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS, UNIVERSITY OF TEXAS AT AUSTIN, AND PRESIDENT, THE NATIONAL POLICY EXCHANGE

Mr. MARSHALL. Thank you very much, Mr. Chairman and members of the committee.

I will summarize, as quickly as I can, my full remarks.

Let me say that I am very pleased to have the opportunity to be here and express my views on this very important subject. What I will try to do is to answer the specific questions you raised, Mr. Chairman, in your letter inviting me to testify.

First, with respect to the importance of this question, I think that it's very clear that fuller and more effective use of our resources, particularly our people, will require much greater attention to the special labor market problems of women. The growing numbers of women who work outside the home make important contributions to family incomes and to our Nation's economy.

Work is also increasingly the central organizing experience of our lives, and is the way most adults identify themselves, and either achieve or fail to achieve self-fulfillment.

The growing importance of work means that the workplace is where the successes and failures of many of our national and international problems will be found. The labor market experience of women is therefore an important national problem.

This is true of all women, but especially for minority women, who suffer multiple labor market disadvantages and who are much more likely to be heads of households, and whose families are much more likely to be poor.

In two-parent families, the mother's self-image and the family's economic and emotional well-being are heavily conditioned by the ability of the mother and the father to work. A paid job has become an important symbol of self-worth and personal independence for women, even though most women work for economic reasons. The mechanization of household work and the increasing life expectancy have given much more time to women to pursue careers.

The main contours of the labor market experiences of women are fairly well illustrated in these charts before us—I don't know whose charts they are. I attached some to my statement. But let me summarize what seems to me to be the salient features of the statistics.

One, there has been a very rapid increase in the labor force participation rates of women, and this trend is likely to continue during the 1980's, when women will account for about two-thirds of the growth in our work force.

In 1950, about 70 percent of families were headed by men whose income was the sole source of family income. Today, less than 15 percent of families are in this category. Even though there have been great changes in the work force, jobs and fringe benefits still reflect this 1950's assumption about the model of the work force.

Today, most of the 32 million children under 18 years of age have working mothers.

Two, although most women remain in traditional jobs, there have been important increases in some nontraditional categories—like law, medicine, and accounting.

Three, despite this occupational upgrading during the 1970's, women had about the same earnings relative to men at the beginning of the 1980's that they had at the beginning of the 1970's. That is, about 60 percent—59.5 percent black and Hispanic women had relatively higher earnings, but this was mainly due to the relatively lower earnings of black and Hispanic men.

Four, our ability to account for these occupational and earnings differentials, with precision, is limited by inadequacies in our data and analytical techniques. But the main conclusions I think are clear. To some extent, these employment patterns reflect differentials in education, continuity of employment, and work experience.

But a large residual cannot be accounted for by controlling for these things. Studies which control for education find significant differences between earnings and occupational differences of men and women. In the case of women, discrimination is both overt and institutional.

TRENDS AND POLICIES AFFECTING THE LABOR MARKETING OF WOMEN

Five, a comprehensive set of trends and policies affect the labor market experiences of women, including:

First, general economic conditions, especially the growth of employment and unemployment;

Second, selective human resource development programs have both been successful and, it seems to me, will be essential to the continued progress, or even to prevent the deterioration of the relative position of women;

Third, programs to combat overt and institutional discrimination, especially needed are affirmative action programs;

Fourth, programs to prevent illegal immigration into the United States. Undocumented workers compete directly in the secondary labor markets with minorities and women, and constitute a large but unknown total increase in our work force. I think it will be very difficult for us to improve the conditions in the so-called secondary labor markets unless we integrate immigration policy with employment policy;

Fifth, selective labor market policies to deal with special problems of working women. Things like day care, flexible working time, labor market incentives for people to work, employment and training programs, targeted outreach programs to aid women with special labor market problems—such special problems as displaced homemakers, single-parent families, teenage mothers, and welfare eligibles who would like to work.

Experience with all these programs suggests that they can do a lot, within a framework of general economic policies, to improve the conditions of women.

IMPACT OF REAGAN ADMINISTRATION POLICIES ON WOMEN

In most of these areas, the administration's policies will adversely affect women:

First, its economic policies will cause continuing increases in unemployment, and have reduced the availability of programs to soften the shock of unemployment.

Second, its government program cuts will weaken human resource development programs—and these programs have been responsible for much of our economic progress and our productivity growth, as well as in improvements in the quality of life, especially for low income groups and for women.

Third, its incentive system provides carrots for the rich and sticks for the poor, which is a perverse incentive system. The welfare reform

program would create about a 95-percent tax on work, while much is made of the need to increase the incentives to work.

Fourth, its attitude about affirmative action and discrimination threatens the progress made in this area since the 1940's, under both Democratic and Republican administrations.

Mr. Chairman, I would like to thank you and your colleagues for the opportunity to express my views on this important matter, and to commend you for your leadership in developing excellent data analyses of this and other important economic issues.

We are in a period of ferment, when better data analyses and debates are required to better inform citizens and policymakers, and I think that this committee, under your leadership, has done an outstanding job in achieving that objective.

Thank you.

[The prepared statement of Mr. Marshall follows:]

PREPARED STATEMENT OF RAY MARSHALL

Mr. Chairman and members of the Joint Economic Committee, I am pleased to have this opportunity to present my views on the labor market experience of women, a subject with profound implications for human resource development and economic policy. I believe, Mr. Chairman, that the answers to your specific questions about the reasons for the continuing gap in the occupations and earnings of men and women and the effectiveness of various measures to deal with these problems require a consideration of some very basic economic, social and demographic trends. I will discuss some of these trends and their implications for the employment and earnings of women after addressing your questions as briefly as possible.

1. As you can see from the data in the appendix to my prepared remarks, women are still heavily concentrated in traditional occupations, but they made more progress in entering new occupations than they have in eliminating earning differentials. Women have entered some non-traditional occupations, but they tend to be concentrated in the lower wage jobs in each category. To some extent, these occupational and earning patterns reflect differentials in education, continuity of employment and work experience. However, there is no doubt that a

large residual, estimated by one study to be between one-half and one-third of the earnings differentials between men and women, cannot be accounted for after controlling for these things. (Economic Report of the President, 1974, p. 155. See also U.S. Department of Labor, Women's Bureau, "The Employment of Women: General Diagnosis of Development and Issues," April 1979.) Studies controllinng for educational attainment show wide differentials in earnings and career patterns between men and women. A recent study by Susan Bailey and Barbara Burrell of Harvard's Office of Institutional Policy Research on Women's Education (Second Century Radcliffe News, Winter 1980) found that seven years after graduating from Harvard's Law School, 25 percent of men and only 1 percent of women were partners in law firms. The average salaries of graduates of Harvard's School of Public Health were $37,800 a year for men and $21,300 for women. This survey examined the careers of 1972 graduates of Harvard's schools of law, dentistry, design, divinity, education, public health and arts and sciences seven years after students were awarded advanced degrees. Women graduates had consistently lower salaries regardless of marital or family status. The study concluded that there was "convincing evidence that subtle biases continue to constrain the career development of many women."

Of course, discrimination and low incomes are not restricted

to women in professional and technical jobs. Women also are much more likely to be poor than men. In 1978, for example, the poverty rates for men and women were:

	Women	Men
White	9.5%	6.0%
Hispanic	20.9	14.9
Black	30.7	18.3

Source: U.S. Department of Labor, Bureau of Labor Statistics, Perspectives on Working Women: a Databook, Bulletin 2080, 1980, p. 75.

The problems of single parent families are particularly serious because many of the most intractable social problems in our country are associated with minority group families headed by women. At the beginning of the 1980s, 15 percent of American families were headed by women as contrasted with 41 percent of black families; during the 1970s the number of black and Hispanic families headed by women rose by 73 and 76 percent respectively. By the end of this decade, at present trends, probably over half of black families will be headed by women, reflecting the growing incidence of divorce, separation and unmarried child-bearing. These female-headed households have very serious poverty problems. Almost half of all black (and almost one-fourth of white) families headed by females live in poverty; looked at another way, 60 percent of the eight million blacks below the poverty line and 75 percent of all black children live in female-headed families. The employment conditions of black female heads of families is particularly severe; in 1980 their unemployment rate was 15.4% as contrasted with 6.6% for white women in similar circumstances.

2. It is, of course, impossible to show precisely how effective various programs have been in improving the earnings and occupational positions of women. Based on years of study, however, I believe women have benefited from an array of anti-discrimination, health, job and training programs, general economic conditions (especially job growth and measures to reduce unemployment) and changes in public attitudes about the kinds of work women should do. Women have benefited much more from the growth of employment than they have from improvements in occupational levels and earnings once they enter the work force.

Despite rhetoric about the economic mess we are in and the failures of government programs, it would be a serious misreading of the record to argue that Americans are not better off in 1980 in terms of almost every measurable indicator than before anti-discrimination and other human resource development programs started. Nor can it be seriously argued

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that this progress would have taken place without active Federal involvement:

- Real disposable per capita incomes have increased from $2,393 in 1950 to $2,709 in 1960, $3,668 in 1970 and $4,567 in 1980. These are after adjustments for taxes and inflation. Federal income and social security taxes have increased relative to personal income since 1960, but they have not "nearly doubled", as President Reagan said in his February 1981 economic message, and most of the increase has been for social security taxes. Federal income and social security taxes claimed 13% of personal income in 1960 and 15.9% in 1980.

- There also have been significant improvements in the quality of life. Life expectancy was almost 74 years in 1980, more than 4 years longer than in 1960. Infant mortality, a good indicator of a country's quality of life, started moving down during the 1960s after a period of stagnation and declined 46 percent between 1960 and 1980, largely as a result of Federal social programs. Education levels have continued to improve from an average of 11.4 years in 1959 to 12.1 in 1979. Much of these gains were due

to public health and education programs, such as nutrition and prenatal care programs for poor women--programs subject to cuts in the Reagan program. In spite of our recent gains in health statistics, the United States has a long way to go. Despite our relative wealth and technological advancement, the U.S. falls behind other developed countries in such important indicators as the rate of infant and child mortality and life expectancy.

- The proportion of people below the poverty line declined from 22.4% in 1960 to 11.6% in 1980. Much of this decline in poverty is the direct result of federal anti-poverty programs, including Aid to Families with Dependent Children, job training programs for the disadvantaged, food stamps and other programs which are being cut.

I believe the advances in anti-discrimination programs have been necessary, but not sufficient causes of the improvements in the conditions of women and minorities. I also believe that the Administrative proposals to weaken affirmative action enforcement efforts would be a serious mistake. It is important to improve the administration of anti-discrimination programs, but this can be done without reducing

the scope of coverage or weakening the penalties for violations. Cooperative relationships between enforcement agencies and between these agencies and the private sector are desirable objectives, but there will always be some who will not cooperate, so voluntary efforts must be backed by sufficient penalties to encourage cooperation and deter violations. The arguments about quotas and reverse discrimination are false issues which divert attention from the real problem--the need to take positive measures to break down institutionalized patterns of discrimination against people for reasons unrelated to their merit and ability. Goals and timetables are not quotas, and special programs to help people overcome the consequences of past discrimination are not necessarily reverse discrimination.

It is therefore a mistake for the administration to weaken penalties and to discontinue class action suits, compliance reviews, back pay awards and special programs for women and minorities. The case-by-case approach to discrimination would deal only with specific overt acts of discrimination, which is a much less important problem than institutional discrimination, which the administration's approach will scarcely address.

The United States derives rich benefits from being a multi-racial, multi-cultural society. But it is hard for me to see how we can derive the benefits of such a system and avoid dangerous and debilitating social strife without equal opportunity, and it is hard for me to see how equal opportunity

can be a reality in the face of institutionalized discrimination without affirmative action.

But anti-discrimination programs are not sufficient to make significant improvements in the economic conditions of women. General economic conditions to reduce unemployment and foster full utilization of our resources and special targeted programs to deal with the needs of particular groups also are required. In this connection the Administration's economic programs will cause great difficulty for women. Supply-side economics and monetarism will not deal with the problems of unemployment or inflation. Moreover, reliance on general programs ignores the diversity of our economy. Both the tax and spending cuts will adversely affect women, who are heavily concentrated in low-income jobs which will not benefit from the tax cut and which will bear the main brunt of cuts in human resource development programs. Over 70 percent of the program cuts now in place fall on low-income groups. These include education, jobs and training, Medicaid, housing aid, food stamps, school nutrition, aid to poor families with children, energy assistance and unemployment compensation. By concentrating heavily on very inefficient ways to stimulate physical investment, the Administration seems to ignore the fact that investment in its people has been the main source of America's economic strength.

Indeed, President Reagan's program contains a curious inconsistency in its incentive system. It provides great

reductions in marginal tax rates for high income groups, but huge increases in marginal rates for the working poor. The Administration's program would reduce the disposable income of workers who also get welfare to the extent that the workers' families would be scarcely better off than those who rely exclusively on public assistance. For example, until recently in New Jersey, the monthly income difference between a working and non-working AFDC recipient with two children was $141. The Administration would reduce this to $4. This pattern is reflected among most other states including such diverse jurisdictions as Texas and New York. Nationwide, the typical welfare mother would receive $518 per month if she did not work, and only $535 per month if she took a job paying $300 per month--a whopping 95% marginal tax on work. Where is the economic incentive for a poorly-paid working mother to keep her job? Where is the economic incentive for the unemployed AFDC mother to look for a job? The Administration would compound this problem by encouraging workfare programs to force people to work rather than jobs and incentives programs to encourage them to work. What we seem to see here is a peculiar application of the carrot and stick theory of economics: the carrot for the rich, the stick for the poor. These flaws in the thinking behind the supply-side program are now becoming painfully clear as the nation tumbles into what may be the worst recession since the Great Depression.

The Administration has made cuts in taxes and spending programs on the basis of simplistic ideological reasoning about government, and not on the basis of the merits of programs being cut--which it scarcely seems to understand. Health specialist Dr. Karen Davis' (Johns Hopkins University) conclusions about the Administration's health policies could be equally applicable to other areas and are particularly important for women (Karen Davis, "Reagan Administration Health Policy", August 1, 1981, p. 26):

> The Reagan Administration health policy represents a major shift in direction on the commitment of the federal government to assuring that the health care needs of its citizens are met. The major retrenchment in the scope and type of federal activity threatens to reverse progress made in the last 15 years in improving access to preventive and primary care services of the vulnerable in our society--the poor, the elderly, the handicapped and minorities.
>
> This retrenchment comes well before gaps in access to health care services have been eliminated. No positive agenda for dealing with pressing problems such as access to health care for the disadvantaged, long-term care needs of the elderly and disabled, emphasis on prevention, or direct restraints on inflation in health care costs has been advanced.
>
> As a result, the Reagan health policy, more than any other portion of the Reagan administration economic and social strategy, threatens the very life and health of many of the nation's residents. The potential for a major setback in life expectancy, degree of disability, and access to health care services to relieve pain and suffering of many of our nation's most vulnerable people is a real threat.

These policies will have an adverse impact on the economic conditions of women, especially those with low incomes and families to support.

BASIC TRENDS

Mr. Chairman, let me next discuss some basic trends and even universal imperatives which must be understood by those who would improve the job options of women:

I. The growing importance of jobs and the work place.

The work place will be even more important in the lives of people in the future than in the past because work is becoming more universal with the increasing labor force participation of women and young people. Despite talk about the decline of the work ethic, most people want to work. Work is the way most adults identify themselves and is the central organizing principle of their lives.

II. Implications of the internationalization of U.S. economy.

a. Jobs in the United States depend on development in the world economy, over which we have limited control.

As we saw in the 1970s, the U.S. economy cannot prosper in an interdependent world without a healthy world economy, at least in those parts of the world that believe in relatively open markets. Therefore, both the quality of jobs and the number will require greater attention to such matters as international trade, monetary reform, and cooperation in solving these and other international problems.

b. Multinationals will have an impact in generating competition and jobs and transmitting labor standards and work practices throughout the world. The information and communications revolutions have greatly increased the ability of corporations to operate on a global basis. These organizations have positive and negative effects on work and labor standards. International labor standards and codes of conduct for multinationals will be important policy issues of the 1980s.

c. The importance of international migration of workers, especially from the Third World, where 600-700 million jobs must be created in the next two decades just to keep unemployment from rising. Illegal immigration perpetuates bad jobs and low productivity in the United States and will limit the job options of low-wage domestic workers. Because of the employment problems in the industrial market economies as well as the developing countries, world-wide unemployment will be a serious problem for the rest of this decade.

d. Internationalization limits the effectiveness of traditional domestic monetary and fiscal policies, requiring international solutions. For example, monetarist attempts to control inflation are limited by the internationalization of money in an age of instantaneous electronic communications.

e. Above all, jobs will be subjected to the efficiency requirements of intensifed international competition. While relatively free and open trade is necessary to a healthy world economy, absolutely free trade is a myth and while it might temporarily reduce consumer costs in the short run, it would threaten the long-run viability of basic American industries and jeapordize international labor standards because during periods of stagflation, when capital can flow freely between countries, labor standards tend to be very vulnerable. In this, as in so many other economic matters, we must apply the practical economics of common sense and avoid pitfalls of the protectionists and the naive free traders. In order to protect our job options, we must give careful attention to the rules within which freer international trade takes place.

The declining rates of growth in both productivity and GNP will limit future job options, exacerbate internal conflicts, weaken our international competitiveness and intensify inflationary pressures. The work place will be where the solutions for many of these national and international

problems will be sought.

We do not fully understand all of the reasons for the decline in the growth of productivity, but improvements can and will be sought in management systems, worker education and training, and job practices.

III. Rising unemployment will limit job options and exacerbate social problems. Concern about inflation has caused unemployment to be minimized by policymakers.

But the futility of attempting to solve the inflation problem with rising unemployment will become very clear by the middle of this decade, causing strong public pressures to pursue a full employment policy and sensible ways to achieve price stability and full employment. The desire for jobs is very strong in all sections of the population and will grow during this decade. The desire for jobs will combine with need to improve productivity to create support for better--as well as more--jobs.

The solution to our problems will be found in increasing output and employment, not limiting it. However, the job problem will be complicated by the fact that the demand for jobs is such that we have to create about 3 jobs to reduce unemployment by one.

IV. There are some very strong demographic and labor market trends that will influence job options:

a. Increased labor force participation by women--who will constitute two-thirds of the growth in the labor force during this decade. This is perhaps the most important labor market trend of the century. In 1950, 70% of American households were headed by men whose income was the sole source of family income; today, only about 15% of families fit this "traditional" model, even though many of us assume it still to be pervasive. This change has profound implications:

1. Despite improvements, women remain heavily concentrated in traditional jobs. About 70% of all women are concentrated in 48 occupations where women constitute over 50% of the employees--40% of all women are in 10 such occupations. There has been even less progress in removing sex earning differentials. Women who work full-time earn only about 59% as much as men who work full-time. Affirmative action programs will continue to be major issues during the 1980s. Again, improvements in the job conditions of women will require economic growth and policies to make relatively full use of our resources, including women who want to work. But these general policies must be supplemented with specific policies to meet the needs of women in general and the specific needs of particular groups of women. These special policies include affirmative action to eliminate discrimination, better counseling and labor market

information and job search procedures to make it possible for women to widen their labor market opportunities and meet the special needs of women who are looking for first jobs or who seek to reenter the labor market after spells of absence. Jobs must become more flexible to meet the new labor market requirements of women.

2. Job practices and family practices become closely related. The absence of such family-enhancing services as child care facilities and maternity leave will have a strong impact on American families, and this in turn has a major impact on delinquency, the development of children and other social problems.

3. There is no evidence that the great increase in working mothers has had a negative impact on child raising. However, the mothers' self-image and the families' economic and emotional well-being are heavily conditioned by the ability of the mother and father to work. A paid job has become an important symbol of self-worth and personal independence for women--even though most women work for economic reasons. The mechanization of household work and increasing life expectancy have created much more time for women to pursue careers. Around 1900 the average life expectancy for a woman was 47 years, 18 of which were spent child-bearing. Today life expectancy is 77 years, only 10 of which is devoted to child-bearing (though more is devoted to child rearing).

4. The educational level of the work force has increased significantly since World War II. Between 1966 and 1974, the number of people receiving bachelors degrees doubled and the number receiving masters and Ph.D. degrees increased about as fast. This development had a number of implications:

- increasing education (and training) has been responsible for sustaining economic growth, though at a diminishing rate in the 1970s.

- higher levels of educational attainment intensify competition for the good jobs, placing those with limited education or training at a serious labor market disadvantage.

- higher levels of education have reinforced other factors tending to change traditional attitudes about work. There is a strong demand for "good" jobs and a growing tendency to avoid marginal, disagreeable, low-wage jobs--a tendency that many use to justify the continuation of immigration to fill these positions as alternatives to improving those jobs or raising wages to attract workers. More highly educated workers also wish to have greater participation in job decisions. Demand for participation has not reached the intensity it has in Europe and Japan, where workers participate more at every level of management and in the national economy, but the desire for participation plus the greater efficiency achieved through worker participation in Japan, Germany and Scandanavia will undoubtedly

intensify pressure for some forms of worker participation in the United States. However, the main form of participation in the U.S. undoubtedly will be an extension of collective bargaining to younger, better-educated workers and participation in government-mandated protective programs like occupational safety and health rather than participation on boards of directors or in work councils. However, the logic of the participatory process and the pressures to improve productivity and efficiency are such that efforts will be made to increase worker participation in quality control and productivity improvement programs. Many of these efforts will end in collective bargaining, especially in the public sector.

5. There have been some significant changes in the age composition of the work force and these will continue during the 1980s. Youth job pressure will be relieved somewhat by the fact that four million fewer 16-24 year-olds will enter the work force. The most dramatic change will be in the 25-44 year-old age group, reflecting the aging of the post-war baby boom. In 1975, there were only 39 million people in this category; by 1990 there will be over 60 million. This will greatly intensify job competition in this group, which will constitute over half of the work force. Intensified competition for jobs probably will make this group less supportive of affirmative action programs for women and minorities unless special efforts are made to gain their support.

There are those who believe that the decline in the number of 16-24 year-olds will create labor shortages in

this category. I do not share this belief because I do not think we will control illegal immigration and the desire for jobs is such that there will be continued competition with young people for jobs in the secondary labor market. If, however, temporary labor shortages should occur among young people, it would improve their relative earnings and lead to improvements in the nature of jobs they hold.

Men 55-64 have been withdrawing from the work force and a larger proportion of the population is over 65. This will continue to strain pension funds and the social security system because the ratio of workers to non-workers might continue to decline. In 1935, when the social security system was passed, there were 11 workers for each one over 65 not working; today the ratio is 3 to 1 and by 1990 it will be 2 to 1.

There have been some important occupational trends away from goods producing and into services, especially information occupations, which were 15% of jobs in 1950 but 55% today. This change has contributed to the decentralization of industry to rural areas and the sunbelt and reduced the size of producing units.

Rapidly changing technology and intensified international competition have created serious job problems in the nation's industrialized heartland, especially for relatively high-wage union workers in basic industries. Minorities also have been heavily

concentrated in these areas. The future of this area and of America's international competitiveness will depend on the development of effective industrial policies. General policies that favor newer places and enterprises will accelerate the decline of our basic industries.

All of these changes have caused work forces to be more diverse than they were 30 years ago. This diversity will lead to pressures to increase job options in order to meet workers' diverse needs, because work forces have changed more than jobs. As Clark Kerr has observed:

> The nontraditional worker, the educated worker, the mobile worker...lead to pressures for more variations [on the job]; to electives at the place of work as in the school; to special arrangements in in the office--to options in work time, in retirement plans, in job tasks; to choices about when to work, when to learn, when to take leisure time, when to retire, rather than follow a set schedule; the multiple option society rather than the society of the common rule.

The leadership challenge of the future will be how to shape these dynamic, diverse trends and values into viable, efficient systems that will at the same time satisfy changing needs for self-fulfillment by women as well as men. We face some very serious work place problems, but we also have some tremendous opportunities. Our task must be to generate the leadership, resources and mechanisms to solve the problems and enhance the opportunities.

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APPENDIX

The nature and dimensions of women's extraordinary increase in the work force is suggested by some highlights of the data compiled by the Bureau of Labor Statistics (especially in Perspectives on Working Women: a Databook, BLS Bulletin 2080, October 1980):

1. During the 1970s, 60% of the gain in the work force came from women who increased their labor force participation by 12 million. About half of the increase in the labor force participation by women was relatively young women 25-34 years of age, a remarkable 64% of whom were looking for work in 1979 and the first half of 1980; 54% of the mothers in this group were in the labor force. Put another way, in March '81, of almost 32 million children under 18, 54% had working mothers.

2. Although a large percentage of women remained in traditional occupations, there were significant increases in nontraditional areas like medicine, law, and accounting. In 1970 60% of all female professional technical workers were in the traditional occupations of nursing and pre-college teaching; by 1979 this percentage had dropped to about 52%.

3. The labor force participation rates for women have risen from 33.9% in 1950 to 51.6% in 1980, while the rate for men declined from 86.4% in 1950 to 77.2% in January-June 1980.

4. The unemployment rates for women generally have been higher than those for men overall, 5.9 percent and 4.4 percent in 1970, but the differential was partially eliminated during part of 1980. The present recession is unique in that previous recessions (e.g., 1961-62 and 1970-71) temporarily halted the growing labor force participation of women and increased the unemployment differentials between men and women while during the present recession, the labor force participation rates for women have continued to increase and the unemployment rate for men has risen faster than that of women.

5. The median educational levels of women and men are about equal, and have been since 1970; the medians for both were 12.2 in 1970 and 12.6 in 1979. There have been marked declines in the proportion of women (30.6 in 1970 and 22.7 in 1979) and men (37.3% in 1970 and 26.4% in 1979) in the labor force who had completed less than 4 years of high school and marked increases in the proportion who had completed

4 years of college: for women 10.7% in 1970, 14.9% in 1979 and for men 14.2% in 1970 and 19.6% in 1979. Thus men are more likely to be college graduates and women are more likely to finish high school only, though the education gaps are declining.

The educational upgrading of the work force is suggested by the fact that almost as many workers have some college as those who stop with high school graduation: in March 1981, 40% of all workers 25-64 had completed a year or more of college; in 1970 this proportion was only 23%. This increase reflects primarily the entry of the baby boom generation into the work force and the tendency for older workers with less education to retire early.

Data on the proportion of women who have had 4 or more years of college indicate significant differences for age groups, with a larger proportion of young women 18-24 years of age having 4 or more years of education than men, but a larger proportion of men in this group for the older age categories; a larger proportion of men than women did not complete 4 years of high school in every age category, as indicated by the following:

Age and Sex	Percent of Labor Force with Less than 4 Years of High School	4 Years of College
18-24 years		
Women	14.7	9.3
Men	23.9	6.4
25-34 years		
Women	11.2	24.7
Men	13.2	27.8
35-64 years		
Women	22.6	15.2
Men	27.5	22.2

Source: Bureau of Labor Statistics, Employment in Perspective: Working Women, Report 650, Second Quarter 1981.

5. At the beginning of the 1980s, despite some occupational upgrading, women had about the same earnings relative to men that they had at the beginning of the 1970s. Women who worked full-time earned about 60% as much as men. Although women almost achieved earnings parity in some newer occupations like computer science, they ordinarily were concentrated in lower paying jobs in each occupation.

In the 51% of families where husbands and wives worked, median income was $23,000 in 1978, compared with $17,000 for families where only the husband worked. Working wives who worked all year

contributed 38% to family income, but they contributed only 11% to family income where they worked part-time or less than 26 weeks full-time.

In 1978, the male-female earnings differentials varied considerably by race; women's highest proportion was for blacks (72.0%) and Hispanics (69.8%) compared with whites (59.5%). In the second quarter of 1981, a little over half of all working families with two working members had median earnings of $561 a week--nearly twice the earnings for families with only one wage earner. Median earnings of white married families ($474) were about 18% higher than for black families ($401) despite the fact that a slightly higher percentage of black women had 2 or more workers. Median earnings for Hispanic families ($396) were similar to those for blacks even though relatively fewer Hispanic families had more than one wage earner.

Representative REUSS. Thank you, Mr. Marshall.
Ms. Verheyden-Hilliard, if you will proceed, please.

STATEMENT OF MARY ELLEN VERHEYDEN-HILLIARD, DIRECTOR, THE EQUITY INSTITUTE, BETHESDA, MD.

Ms. VERHEYDEN-HILLIARD. My name is Mary Ellen Verheyden-Hilliard. I am the president of the Equity Institute.

I am grateful to have been asked to testify before the Joint Economic Committee at these hearings on the economic status of women.

I would like to open my testimony with what I consider to be a profound statement, which I hope that the members of the committee will take to their hearts. The statement is: "Women begin as girls."

I came to understand this in my own life, and I see this again as my daughter, who was a girl and is now a young woman, continues her growth. And what I wanted to say is: I believe that if we are going to have any long-lasting impact on changing the economic status of women for the better, we must, in my opinion, attend to the little girls who are coming along.

For example, are we continuing to educate her in the same way and with the same career goals as the women whose economic status is now in such disrepair?

Is the little girl learning that she can indeed aspire to the high-paying jobs which used to be for men only?

Is she getting support from her teachers, counselors, and parents, to explore the widest possible options and to strive to be all that she can be?

Is the young woman in high school learning to create her own economic stability out of the reality of her own abilities and interests, rather than out of the unreality of stereotypes which narrow her options, cut her paycheck, and lead to the necessity of hearings on the economic status of women?

I think if we don't nourish the root as the plant grows, we should not be surprised if the blossoms are less strong and less diverse and less beautiful than they might otherwise have been.

PROMOTE ECONOMIC EQUITY BY THE WOMEN'S EDUCATIONAL EQUITY ACT

One particular program I would call to your attention this afternoon is making the effort to help educators and parents nourish the root, so the girls can grow to be women who have developed their full potential to contribute to their families and to their community and to the Nation—and indeed to the world.

That program is the Women's Educational Equity Act, a fitting companion, it seems to me, to the Women's Economic Equity Act. And I would like to depart from my text at this time, to take a moment to express my appreciation and the appreciation of those who have benefitted from it, to thank Congresswoman Heckler for her leadership and support of WEEA, and Congresswoman Boggs for her strong support—and indeed, to all members of the Congressional Women's Caucus.

The Women's Educational Equity Act is a grassroots program. It was enacted by Congress in 1974, and reenacted and expanded in 1978.

Congress reauthorized it again in 1981, to serve this purpose. The Women's Educational Equity Act funds programs to develop curricular materials which can be used in preschool settings, in elementary and secondary schools, in colleges, universities, and vocational schools. There are training materials to assist educators at all levels, to work with students in nonstereotypic ways. There are materials for parents to help them help their children explore wider options and opportunities.

I guess I wish that you could see a display of the WEEA materials. I do believe that you would be impressed with their diversity, their usability, and their worthwhileness, and I wish you could hear a panel, as well as this panel, a panel of the WEEA project directors, so that you could appreciate their diversity.

The WEEA projects are in the South and the West and the Midwest, and the North and the East. And they are in rural areas and in the suburbs and in the big cities. And they are run by women and men, by people who are Asian-Americans, American Indians, blacks, Hispanics—from the majority group, and from those who are disabled.

One of WEEA's great strengths, it seems to me, is that beyond some overall guidelines, it does not tell people what it wants. Rather, it asks potential projects to set out what is seen as a need at the local level.

And WEEA is really a tiny program. It's budget last year was $8.1 million, and this year the Congress proposed $6 million in the continuing resolution.

One of the ways that money is used, besides the projects, in the WEEA is for the WEEA publishing center. And the center takes the materials which have been developed by the projects all over the country, packages them, and disseminates them at cost, to schools and colleges and universities, and to individuals nationwide.

Each year, the center receives more and more feedback and requests for the materials, materials which I believe can, over time, have a positive impact on the economic status of women.

If I may, I would like to tell you just a little about my project, and in that way you will see perhaps the way in which WEEA materials can, in the long run, affect the economic status of women.

Among the highest paying careers which do not require college training are the careers in the apprenticeable trades. The apprenticeable trades are in industry, construction, and service occupations. For example, machinists at Goddard Space Center, and in steel plants, and operating engineers who drive the earth moving machines at construction sites, or fire fighters. And incidentally, I have talked to women in those jobs, at each of those places.

Now, if you are accepted as an apprentice, you are paid for the 2 to 5 years of your classroom and on-the-job training, so it's a little like having a college scholarship. And when you have completed your apprenticeship training and become a journeyworker, the pay is excellent, usually three to five times more than women's traditional pink-collar jobs.

Presently, while more than 50 percent of the students enrolled in the colleges of America, less than 10 percent of those enrolled as apprentices are women. And why is that? Certainly there has been discrimination against women at the point of entry. However, the other truth is that girls have not gone through elementary and secondary

school with the idea that they could or should prepare to be contending candidates for, say, an opening as an apprentice electrician.

Now, if you went to Harvard and asked for a scholarship to major in science, and you'd never had a single science class in school or could not produce a reference from anyone who could say that you'd ever expressed the slightest interest in science, we would not be surprised if you did not get Harvard's scholarship in science. We should not be surprised if, under similar circumstances, people did not get an apprenticeship scholarship either.

The material we are developing in our WEEA projects will be geared to children in grades 1 through 9. The materials will explain the apprentice to journeyworker career ladder, how it pays and how to climb it, and most important, that this is a career for women as well as men. The materials will have companion guides for teachers and parents to help them explore this career cluster with girls and to help give them the ability to help answer these questions that students may have.

Many WEEA materials are similar to ours and reaching in different directions than ours. As the woman machinist at Goddard said to me, she took a test to determine interest and abilities when she was a grown woman. She had thought to get a clerical job, but she scored so high on mechanical aptitude that she was encouraged to go into machining. She says she's never been so happy.

Another woman I met at a steel plant used to be an elementary school teacher. She says she likes the pay and the work at the steel plant. These women were, in some sense, lucky. In their twenties and thirties they made a connection and they were able to make a change. Their economic status is in pretty good shape. But why should they have had to wait so long, and what of the women who are never able to make that connection and that change? Why shouldn't we be helping to make that connection with the girls and the young women in the schools of America right now, not 10, 15 or 20 years down the road when their economic status is in great jeopardy.

Well, I believe that there is one program, as I've said, which is helping girls and women to make connections, and that's the Women's Educational Equity Act program. It helps because its materials help the adult woman who didn't have the opportunity when she was a girl to explore all her options, and it helps the little girls because I believe it understands that that's where women begin.

So I would ask you in closing that as you think about the economic status of women and how to improve it, please think back to the beginning and please direct some of your efforts to stopping the problem before it starts.

Thank you very much.

Representative REUSS. Thank you. We will next hear from Ms. Bergmann.

STATEMENT OF BARBARA R. BERGMANN, PROFESSOR OF ECONOMICS, UNIVERSITY OF MARYLAND, COLLEGE PARK, MD.

Ms. BERGMANN. Thank you, Representative Reuss. I very much appreciate the opportunity to testify at these very important hearings.

These are very difficult times for many participants in American

economic life, but they are particularly difficult times for millions of women whose position in the economy is vicarious and many of whom are in poverty or on the edge of being poor. Women have three major economic problems. First and foremost, the woman has a much poorer chance of getting a job with a good wage and a promising future than a man does. The second problem is that millions of women are in the economically stressful role of single parent, and more are joining the ranks of single parents every year. The third problem is women's lack of resources in old age.

The economic hardships that many women face are fairly well understood, and previous administrations have undertaken programs to try to improve their situation. Unfortunately, the Reagan administration has decided to go in a direction which will reverse gains made previously and which will make a basically bad situation worse.

It is not an exaggeration to say the Reagan administration has declared economic war on women, particularly on those women who do not have a man to depend on.

Women's poor position in the job market is the most important element in their difficult economic situation. In 1955 white women who worked full time, year around, had incomes which were 65 percent of white men's incomes. Since that time there has been a deterioration in the average position of women workers. What is remarkable in this record is that this deterioration has occurred despite the passage of a law against employment discrimination, despite new ideas on the rights and aspirations of women, despite the increasing commitment of women to continuous labor market participation, and despite a huge increase in the number of women students in law schools, medical schools, and business schools.

OCCUPATIONAL SEGREGATION PRESENTS MAJOR LABOR MARKETING PROBLEMS FOR WOMEN

Women's low salary cannot be put down to lack of training. In 1979, as in earlier years, college graduate women continued to earn on average less than the average earned by men who dropped out of high school before graduation. The clue to the cause for women's low earnings is continuing occupational segregation, and of course the previous witness has told us some of the roots.

One of the tables in my prepared statement gives us some details on occupational segregation. For example, among managers and administrators there are 8 million men and only 3 million women. Women have very poor representation as sales workers, except in the retail trade industry. As was just said, women have very poor representation in crafts. Of the 11 craft workers, over 90 percent are men. And so on. Women have poor representation in truck driving and in driving other vehicles. I believe it is this occupational segregation which is at the root of women's labor market problems.

These exclusions are illegal under the Civil Rights Act, but they have continued because of flacid enforcement of the act's provisions, and of course with the budget cuts and the cuts in leadership, we are going to have even more flacid enforcement. Even in Federal employment, where women tend to do better than in the private sector, women's share of the better jobs continues to be small. Women occupy

most of the Federal jobs graded GS–8 and below, and less than half of the jobs graded GS–9 and above. When we get to GS–14 and above, women's share comes down to a pathetic 7 percent.

Let me give you an example which I think all of you will understand. It is very obvious from the news pictures and stories that virtually all of the highly paid civilian air traffic controllers in Federal employment before the strike were men. Since the military air traffic controllers contain a considerable share of women in their ranks, women's competence in this field has been demonstrated. I believe Congress should monitor training and employment of replacement controllers to insure that women get their fair share of these jobs.

Let me give you another example which is very close to home for me. This is something I just found out about yesterday. At the University of Maryland we have recently opened up a school of public policy, and seven senior professorships were allocated to this school. I found out yesterday that six of them have now been filled, all of them with white males. When I called up the affirmative action officer she said to me, "Well, Barbara, you know, that's the way things go around here."

Well, the reason they go is that we have not yet succeeded in making the Federal presence felt in places like the University of Maryland, that the law be enforced. There's been a lot of complaints about the intrusiveness of the Federal Government. I would argue that in the matter of equal employment opportunity there has been insufficient instrusiveness.

A vital mechanism for encouraging employers is, of course, affirmative action—numerical goals and timetables. I don't believe there is any alternative to this kind of affirmative action, and the Reagan administration is again trying to turn back the clock and get rid of affirmative action.

Another vital mechanism for encouraging employers to end occupational segregation by sex is back-pay claims, which the administration is also trying to scuttle. Training programs which have been useful to get women started in crafts occupations have been terminated. As more women want to and need to participate in paid work a failure to reduce occupational segregation by sex will mean greater crowding for women in the traditionally female occupations, some of which by the way are going to be on the way out pretty soon and will mean lower relative pay for all women.

Let me just also say something which has been against the grain of a lot of the testimony you've just heard. It's very common to say women need the work, they're not working for fun. Well, that's true, millions of them do. But I think we shouldn't become so wedded to that that we begin to think that women have no right to work for fun. The right to work is a right of every American adult. I think we should keep that in mind.

ECONOMIC STATUS OF WOMEN AS SINGLE PARENTS

The second problem, which I think is extremely important, is that of women as single parents. In March, 1980 the Census Bureau estimated that there were 30 million families with children under 18, and of these 6 million, or 1 in 5, were families consisting of single parents and their children. The number of male single parents is increasing, but still the majority of these single parents are women.

Single parents of either sex are in a very difficult economic role, as well as in a difficult psychological and social role. Those of them who work, who are the majority, suffer from the lack of sufficient person-hours to deal with the parental tasks they must shoulder, and women who are single parents of course suffer in addition from those poor opportunities in getting jobs with salaries large enough to support more than one person.

Single parents also suffer from the poor state of the enforcement of child support obligations on absent parents. For mothers not living with the father of their child, 65 percent receive no child support payments whatsoever. Of the 35 who do receive some payments, only about half receive all the payments to which they are entitled. Only 22 percent of mothers get as much as $1,000 per year in child support.

Single parents—I may say, by the way, that the Congress has taken the lead in trying to get some progress in this child support enforcement picture, and I would hope that the Congress would try to protect these programs and carry forward these programs, despite the general rush to dismantle the Federal Government. Single parents need government help. First and foremost, they need Federal help in reforming the archaic and poorly functioning child support enforcement procedures and in liquidating delinquencies. Budget cuts will reduce the ongoing effort that the Federal Government has been making.

I believe also there is a strong argument for assisting single parents with free or federally subsidized child care facilities on the ground that such parents are providing a socially desirable service to the community under unusually difficult circumstances and have special needs for out-of-home child care, as compared to the two-parent family. Here again, the level of help previously provided by the Federal Government is being slashed.

Where child support from an absent parent cannot be obtained on a steady basis, either because the absent parent's income is inadequate or because the enforcement effort is insufficient, it makes sense for the Federal Government to provide child support payments out of public revenues. Here again, previously mandated levels of help to single parents, particularly those who are working, are being eliminated by the Reagan administration.

The high incidence of poverty in single parent families is the compounded result of poor job opportunities, poor child support enforcements, and poor child care provisions. And let me say that I think we ought to begin even now to think about new forms of welfare reform. I think the public is going to be ready for that, soon, and I think the basis of such welfare reform ought to be every adult supports himself or herself through work, to the greatest extent possible. Every child gets support either from both its biological parents or from the government.

ECONOMIC PLIGHT OF OLDER, WIDOWED WOMEN

The third problem is poverty against older women, and we're all familiar with those statistics. The millions of poor old women are not people who can be motivated to become more productive by denying them government help. There is no way, other than by increased Federal help, that their plight can be erased from our consciences.

The Reagan administration, by moving to reduce social security benefits, is going to inevitably increase the proportion of old women who live in poverty.

Let me end by saying that the direction of the current program will worsen the economic plight of millions of Americans. It will hit hardest at women who are not under the protection of a relatively affluent employed male. Perhaps this ties in with the family policy of the extreme right, with its agenda of strengthening the subordination of women to men within the traditional family. Possibly the congruence of these two policy directions is not merely chance. But the President cannot, by waving a wand, get every American woman under the protection of a man. There are millions of never-married women, millions of single mothers, millions of older women who are without a man. The present administration's dismantling of Federal programs is going to make their already bad position worse.

Thank you.

[The prepared statement of Ms. Bergmann follows:]

PREPARED STATEMENT OF BARBARA R. BERGMANN

Women's Economic Condition in the 1980s: Bad and Getting Worse

These are difficult times for many participants in American economic life, but they are particularly difficult times for millions of women whose position in the economy is precarious and who are in poverty or on the edge of being poor. Women have three major economic problems. First and foremost, a woman has a much poorer chance of getting a job with a good wage and a promising future than a man does. The second problem is that millions of women are in the economically stressful role of single parent and more are joining the ranks of single parents every year. The third problem is women's lack of resources in old age.

The economic hardships that many women face are fairly well understood, and previous administrations have undertaken programs to try to improve their situation. Unfortunately, the Reagan Administration has decided to go in a direction which will reverse gains made previously and will make a basically bad situation worse. It is not an exaggeration to say that the Reagan Administration has declared economic war on women, particularly on those women who do not have a man to depend on.

Women's Labor Market Problems

Women's poor position in the job market is the most important element in their difficult economic situation. In 1955, white women who worked full-time year-round had incomes which were 65 percent of white men's incomes. Since that time there has been a dramatic deterioration of the average position of women workers. (See Table 1) By 1965 the ratio had fallen to 58 percent.

In 1979, the latest year for which we have comparable data, the ratio was 59 percent.[1]

What is remarkable in this record is that this deterioration has occurred despite the passage of a law against employment discrimination, despite new ideas on the rights and aspirations of women, despite the increasing commitment of women to continuous labor market participation, and despite a huge increase in the number of women students in law schools, medical schools and business schools.

Women's low salaries cannot be put down to lack of training. In 1979, as in earlier years, college graduate women continue to earn on average less than the average earned by men who dropped out of high school before graduation. (See Table 2).

The clue to the cause for women's low earnings is continuing occupational segregation. (See Table 3). Women have been excluded from fair participation in jobs in the managerial and administrative fields, from jobs in many professional and technical fields, from jobs in non-retail sales, and from crafts jobs. These exclusions are illegal under the Civil Rights Act but they have continued because of flaccid enforcement of the Act's provisions.

Even in Federal employment, where women tend to do better than in the private sector, women's share of the better jobs continues to be small. (See Table 4). Women occupy most of the Federal jobs graded GS-8 and below and less than half of the jobs graded GS-9 and above. When we get to GS-14 and above

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[1] Black women have had some improvement in their position relative to white men, thanks to the fact that there has been some progress in the fight on race discrimination in employment. Black women are now about even with white women, but will not advance further unless advances against sex discrimination are made.

women's share comes down to a pathetic 7 percent. The problem derives for the most part from sex differences in the Federal jobs in which people are initially placed, and from continuing remnants of discriminatory promotion practices in some agencies.[2]

It is obvious from news pictures and stories that virtually all of the highly paid civilian air traffic controllers in Federal employ before the strike were men. Since the military air traffic controllers contain a considerable share of women in their ranks, women's competence in this field, has been demonstrated. Congress should monitor the training and employment of replacement controllers to insure that women get their fair share of these jobs.

While the courts may mandate a realignment in occupational wage scales under the rubric of "equal pay for work of equal value", particularly for firms which are convicted of practicing occupational segregation, it is obvious that an end to occupational segregation is necessary if we are to eliminate completely the unfairness with which the labor market deals with women. This can only occur on a wide scale through the use of affirmative action plans, with numerical goals and timetables. The Reagan Administration's attempt to turn back the clock and get rid of affirmative action plans of this type could reduce the position of women even further, and reduce the ratio of women's to men's wages below even the current 59 cents on the dollar.

Another vital mechanism for encouraging employers to end occupational segregation by sex is back-pay claims, which the Administration is also trying to scuttle. Training programs which have been useful to get women started in craft occupations have also been terminated.

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[2]The work of Mary E. Eccles shows that sex discrimination in promotion had been diminishing in the Federal establishment, but that veterans' preference is important in keeping women in a subordinate position. She suggests that veteran's preference has little justification where the draft is not used. See Race, Sex and Government Jobs, Harvard University dissertation, 1976.

As more women need to and want to participate in paid work, a failure to reduce occupational segregation by sex will mean greater crowding for women in the traditionally female occupations, and lower relative pay for all women.

Women's Problems as Single Parents

As of March 1980, the Census Bureau estimates that there were 30.5 million families with children under 18. Of these,5.9 million, or one in five, were families consisting of single parents and their children. The vast majority of these single parents are women -- about 5.3 million.

Single parents of either sex are in a very difficult economic role, as well as a difficult social and psychological role. Those of them who work -- the majority -- suffer from the lack of sufficient person-hours to deal with the parental tasks they must shoulder. Women who are single parents suffer in addition from poor opportunities in getting jobs with salaries large enough to support more than one person.

Single parents also suffer from the poor state of the enforcement of child support obligations on absent parents. Of mothers who are not living with the father of their child 65 percent receive no child support payments from the father. (See Table 6). Of the 35 percent who do receive some payments only about half receive all the payments to which they are entitled. Only 22 percent of mothers get as much as $1000 per year in child support, and only 11 percent of them get as much as $2000 per year. Almost half of the mothers have more than one child to take care of.

Single parents need government help. First and foremost they need Federal help in reforming archaic and poorly functioning child support enforcement procedures and in liquidating delincquencies. Budget cuts will reduce the ongoing effort that the Federal government has been making. I believe there is also a strong argument for assisting single parents with free or Federally subsidized child care facilities on the ground that such parents

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are providing a socially desirable service to the community under unusually difficult circumstances and have special needs for out-of-home child care as compared to the two-parent family. Here again the level of help previously provided by the Federal government is being slashed.

Where child support from an absent parent cannot be obtained on a steady basis, either because the absent parent's income is inadequate or because the enforcement effort is insufficient, it makes sense for the Federal government to provide child support payments out of public revenues. Here again previously mandated levels of help to single parents, particularly those who are working, are being eliminated by the Reagan administration. The high incidence of poverty in single-parent families (see Table 5) is the compounded result of poor job opportunities, poor child support enforcement and poor child care provisions.

Poverty Among Older Women

As of 1978 36 percent of women over 65 had incomes below the poverty line. At that time the median income of a white single woman aged 65 over was $3970 and of a black single woman in the same age group was $2690. These old women are not people who can be motivated to become more productive by denying them government help. There is no way other than by increased Federal help that their plight can be erased from our consciences. The Reagan administration by moving to reduce Social Security benefits is going to inevitably increase the proportion of old women who live in poverty.

To Sum Up

The direction of the Reagan program will worsen the economic lot of millions of Americans. It will hit hardest at women who are not under the economic protection of a relatively affluent employed male. Perhaps this ties in with the "family policy" of the extreme right, with its agenda of strenthening the subordination of women to men within the traditional family. Possibly the

congruance of these two policy directions is not merely chance. But the President cannot, by waving a wand, get every American woman under the protection of a man. There are millions of never-married women, millions of single mothers, and millions of older women who are without a man. The present Administration's dismantling of Federal programs are going to make their already bad position worse and more hopeless.

TABLE 1

Ratio of Women's Median Money Income
to Men's for
Year-Round Full-Time Workers *

Year	Ratio Women's to Men's Incomes
1955	.65
1960	.61
1965	.58
1970	.59
1975	.58
1979	.59

*Refers to Whites only.

TABLE 2

Mean Money Earnings of Year-Round
Full-Time Workers
by Sex, 1979

Education Completed	Men	Women
Elementary: Less than 8 years	$11,426	$ 7,076
8 years	14,371	7,889
High School: 1-3 years	14,806	8,698
4 years	17,100	10,036
College: 1-3 years	19,002	11,409
4 years	24,473	13,303
5 years or more	29,609	16,929

Source: Current Population Reports, Series P-60, No. 129

TABLE 3

Employed Persons by Occupation and Sex
(Thousands of Persons Aged 20 and Over)
November 1981

	MALES	FEMALES
TOTAL	52,303	39,579
Professional and technical	8,943	7,375
Health workers	996	2,079
Teachers, except college	983	2,384
Other professional and technical	6,964	2,912
Managers and administrators, except farm	8,021	3,037
Salaried workers	6,635	2,579
Self-employed workers in retail trade	539	279
Self-employed workers, except retail trade	847	179
Sales workers	3,239	2,551
Retail trade	957	1,784
Other industries	2,282	767
Clerical workers	3,311	13,612
Stenographers, typists, and secretaries	58	4,528
Other clerical workers	3,253	9,084
Craft and kindred workers	10,948	834
Carpenters	966	16
Construction craft workers, except carpenters	2,310	60
Mechanics and repairers	3,043	67
Metal craft workers	1,156	44
Blue-collar worker supervisors, not elsewhere classified	1,603	224
All other	1,871	423
Operatives, except transport	5,561	3,920
Transport equipment operatives	3,002	311
Drivers, motor vehicles	2,551	291
All other	450	20
Nonfarm laborers	3,090	452
Service workers	4,204	7,035
Farm workers	1,986	454

Source: Employment and Earnings, December 1981

TABLE 4

Women Employed by the Federal Government November 1980

	NUMBER of WOMEN	% WOMEN
GS-1	2,322	74
GS-2	13,493	77.
GS-3	63,278	77
GS-4	132,200	78.
GS-5	136,503	71.
GS-6	64,993	73
GS-7	71,684	54
GS-8	16,147	53
GS-9	66,312	41
GS-10	10,950	38
GS-11	40,167	25
GS-12	24,163	14
GS-13	11,244	10
GS-14	4,343	7
GS-15	2,251	7.
GS-16 & Higher	518	6.

Source: Federal Women's Program, Office of Personnel Management
Minority Group Study of Full Time Employment

TABLE 5

Poverty Rate by Type of Family
1979

Family Type	Poverty Rate (Percent)
White Families	
Married-couple families	4.6
Male households, no wife	9.2
Female households, no husband	22.2
Black Families	
Married-couple families	13.0
Male households, no wife	13.3
Female households, no husband	49.2

Source: U.S. Bureau of the Census, Current Population Reports, Series P- 60, No. 125, Money Income and Poverty Status of Families and Persons in the U.S.: 1979

TABLE 6

Child Support Payments to Mothers
From Absent Fathers, 1978

Number of Children	Mothers Receiving No Payments (Thousands of Women)	Mothers Receiving Some Payments	
		Number Receiving Payments (Thousands)	Average Amount in Year
1	2,530	1,097	$1,288
2	1,220	880	1,995
3	533	297	2,528
4 or more	356	181	2,752

Source: U.S. Bureau of the Census, Current Population Reports, Series P-23, No. 106 Child Support and Alimony: 1978

Representative REUSS. Thank you.
Nancy Barrett, if you will proceed, please.

STATEMENT OF NANCY S. BARRETT, PROFESSOR OF ECONOMICS, AMERICAN UNIVERSITY, WASHINGTON, D.C.

Ms. BARRETT. Thank you. I'd like to add my congratulations to the committee for holding these hearings.

I think that it's very clear from your own remarks that you view the key to bringing millions of people out of poverty and eliminating their dependency on public grants to be improved employment opportunities for women. Let me just restate a few statistics in a slightly different way. They are familiar, but I think they bear repeating.

FEMINIZATION OF POVERTY

Well over half the 10 million children who live in poverty today are solely supported by their mothers. The chance is 1 in 3 that a female-headed family is in poverty, compared with 1 in 18 husband-wife families. Over 25 percent of all divorced and separated women are on welfare, and the fact that all of the increase in poverty that we have experienced since the war on poverty in the late 1960's has been attributable to families headed by women, has resulted in now what has come to be commonly called the feminization of poverty.

I would like to focus on three issues today. I think it's very clear that improving the job climate for women so that women can provide the means to support themselves and their families is the key, but it means not only jobs but decent wages, working conditions and, as many people have said, adequate child-care provision.

I'd like to focus on three aspects of the problem, the first being the recession, the second being our anachronistic social programs that presume that the State should assume financial responsibility for women and children in the absence of a male breadwinner and, third, a very brief discussion of the persistent failure of the egalitarian goals of our equal employment opportunity laws to be realized.

The current recession is, of course, the most important short-run problem facing women workers.

Mr. Chairman, you've already stated much more eloquently that I could ever do that the problem in a recession is not only that more women are unemployed but that the competition that occurs for jobs in a recession elicits reactionary attitudes regarding women's employment. The idea that women don't need jobs as do men rears its ugly head.

And I, just the other evening, heard the evening news reporter stating that the unemployment rate of married males was shockingly high and that this unemployment rate is clearly the most significant indication of the recession's true burden and impact. It was quite shocking for me to hear a presumably enlightened commentator make such a statement.

It is clear that the misguided economic policies of the Reagan administration have contributed to the recession's severity.

And the Reagan administration has compounded the problem by its drastic cuts in the CETA employment and training programs.

Studies of CETA participants undertaken by the research staff of the Department of Labor during the Carter administration dramatically demonstrated that poor women experienced the most substantial wage gains as a result of their CETA experience than any other participants. This is really very important. In fact, the evidence in these studies—and I must say that it's very difficult to get this kind of information, that there's not a lot of it out there. But what we have is that poor women are perhaps the only group for which we can demonstrate conclusively that their future chances actually improved as a result of their being in CETA and having had a CETA job.

The CETA experiments with nontraditional job placements for women have also been very highly successful. And these are all being cut back drastically.

A general cutback in these programs is going to hurt women disproportionately more than male workers because these programs have played such an important role in upward mobility and self-reliance for women, especially the poor women and the female household heads upon whom those programs were specifically targeted.

Let me turn quickly to the question of the social programs.

Women and families headed by women are the principal beneficiaries of the social entitlement programs. I won't talk about the income-tested programs, although it is worth noting, as most others have, that most social security recipients are women. One of the great inconsistencies of the Reagan administration's domestic program is its desire to cut social program costs while maintaining traditional conservative opposition to the employment of mothers. If women with children are not expected to support themselves through work but one of seven families with children is headed by a woman and solely dependent on her financial support, this view implies a very large transfer of resources from the tax dollars of workers, who will be forced to take on this responsibility.

Now, of course, in a severe recession such as we're now in, these financial supports are desperately needed. And I'm not recommending that they be cut out from under the poor when no jobs are available.

What we have to be thinking ahead to is a full employment economy, which is, of course, our longer range objective. And in such an economy, there's no reason why women should not have as much right to a decent job and financial independence as a man.

CHANGING FAMILY STRUCTURE REQUIRES ADDITIONAL EMPLOYMENT OPPORTUNITIES FOR WOMEN

To assert that women with children are not expected to work, of course, also implies a lesser commitment on the part of society to providing employment opportunities for these women. And this view, which is so deeply ingrained in the eligibility criteria for our social programs, is why these programs have grown at such an alarming rate. They've grown because society's view of women's rights and responsibilities has not caught up with the reality of a changing family structure in which a very large and growing percentage of families, especially poor families, are not supported by a male.

If you think back to the original concept of aid to families with dependent children, it was payments to widows and orphans, when

the loss of a male breadwinner was an unusual and tragic happenstance. The eligible population toda[illegible]ery different from widows and orphans. And in these day[illegible]eral economic distress, there's a danger that many more poor fa[illegible]ilies will become female-headed simply so as to be eligible to receive government support.

The problems can't be solved by reducing payments to the families. In fact, the growth of all of these programs is not due to the fact that the real payments have gone up to families, it's not due to liberal generosity and liberal handouts, but due to the fact that the eligible population has grown. The eligible population hasn't grown because people are cheating; it's because of the fact that the concept that we're using to impute eligibility to families has not caught up with the tremendous changes that are going on in our society in terms of family structure.

It's simply not possible to deny women jobs at decent wages and to cut social programs at the same time. As I said before, over 25 percent of divorced and separated women are on welfare. The Reagan administration, with its antigovernment bias, of course, doesn't want to track down men who fail to support their children. The Carter administration, of course, began to initiate such a program, with a reasonable amount of success. In other countries, garnishment of pay for child support is a routine matter.

And Professor Bergmann earlier pointed out that very few women receive any child support at all, even though they are eligible.

With apparently no enforceable penalties for male abandonment, without putting women to work at decent pay, we end up not only with a huge poverty problem but a huge public responsibility.

Let me just say one thing about child care, because it hasn't been mentioned in this context. In 5 years, in between 1980 and 1985, the number of pres hool children with working mothers is going to double, from 6 million to 12 million. Yet, nothing is being done to accommodate the need.

I think one of the members of the committee said that we're the only country in the world where the growth of the female work force has occurred without a concommitant growth in child-care facilities.

Let me just say a word about the problem of the failure to realize our egalitarian objectives, as we passed all of our equal employment legislation over a decade and a half ago.

Many women remain on welfare because even if they find work it is at such low wages and with so few fringe benefits that it makes welfare, food stamps, and medicaid just a much better deal. We forget sometimes about the fringe benefit issue.

I don't mean to say that affirmative action hasn't been important and that equal employment opportunity legislation isn't important, but these haven't been enough. The question is: What more do we need to do?

I alluded to the view, which has been aggravated by the recession, that women aren't as deserving of higher paying jobs as men are. The jobs that women traditionally do—and there are many jobs that women have always done that men haven't wanted to do—have also been traditionally low paying, reflecting the view, I suppose, that if a woman does it, the rate of remuneration ought to be less.

Most women have a double burden, as some people have pointed out, of housework and child care that competes for their time and energy with their labor force activities. Not every woman can be or wants to be the superwoman who shoulders not only both employment and housework, but does each as though she were doing each full time, with the same impeccable high standards.

Possible ways to deal with this program vary from increasing social services to increasing male involvement in child care and housework. In Sweden, for example, if a couple is going to take any sort of child-care leave after the child is born, they have to share it, the man and the woman. That's one type of solution.

Another is increasing flexibility in work arrangements. We must recognize that employment conditions that were suited to a labor force that was predominantly comprised of males and childless women will have to be reconsidered. Women's low-paying occupational ghettos have even reflected women's need for flexibility. They often do allow flexible hours, but they provide this flexibility in lieu of financial rewards. Women's double burden must be recognized as a factor impeding the realization of our society's egalitarian goals.

If women are to stand on their own feet rather than cling to the coattails of society, we must begin to confront the full range of societal expectations that women are called upon to fullfill.

Mr. Chairman, you asked for some specific recommendations, and in my prepared testimony I did specify a few. Let me just list them.

The No. 1 priority—the absolute, No. 1 priority is an improved economy, increased economic growth that will stimulate economywide employment.

Reinstatement of funds for CETA work experience and training, especially for women workers.

Increased emphasis on nontraditional work experience and training for women in CETA and in private employment, and I might say from such programs as my colleague described for younger women and girls in school.

Increased attention to child care and related arrangements. This is a time bomb ticking, especially for poor women.

Investigation of ways to increase paternal support of families, both financial support and participation in child care and housework.

And finally, the recognition in public jobs programs that women workers, particularly female household heads, have special needs requiring added flexibility. Women should not be relegated to low paying, deadend jobs simply because of these needs.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Barrett follows:]

PREPARED STATEMENT OF NANCY S. BARRETT

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss policies for remedying women's employment problems. The Committee's decision to hold these hearings reflects your wise judgment that the key to bringing millions of people out of poverty and eliminating their dependency on public grants is improved job opportunities for women.

Well over half of the 10 million children living in poverty today are supported solely by their mothers. The chance is one in three that a female-headed family is poor, compared with one in eighteen husband-wife families. Over 25 percent of all divorced and separated women are on welfare. And the fact that all of the increase in poverty since the late 1960s has been attributable to families headed by women has resulted in what has come to be called the "feminization of poverty."

One remedy to this problem is to reduce the incidence of female-headedness, especially among the poor. However, it is unlikely that government efforts would meet with great short-run success here, and the current welfare system, if not actually discouraging fathers from assuming financial responsibilities, at least provides them an "easy out." A longer-run view would see a reduction in female-headedness emerging from a reduction in poverty and welfare dependency rather than the reverse.

A second approach -- the subject of these hearings -- is improving the job climate for women so that women can provide the means to support themselves and their families. This means not only jobs, but decent wages, working conditions and adequate child care provisions.

I will focus on three issues: the recession, our anachronistic social programs that presume the state should assume the financial responsibility for women and children in the absence of a male breadwinner, and the persistent failure of the egalitarian goals of our equal employment opportunity laws to be realized.

The Recession

The current recession is, of course, the most important short-run problem facing women workers. Not only are more woman unemployed in a recession, but the competition for jobs elicits reactionary attitudes regarding women's employment. The idea that women don't "need" jobs as do men rears its head. The evening news reports the unemployment of married males as the most significant indication of the recession's true impact.

The misguided economic policies of the Reagan Administration have contributed to the recession's severity. And the Reagan Administration has compounded the problem by drastic cuts in CETA.

Longitudinal studies of CETA participants undertaken by the research staff of the Department of Labor have dramatically demonstrated that poor women experience the most substantial wage gains as a result of their CETA experience, more than any other participants. Indeed, there is evidence that poor women are the only group whose future chances are actually improved after being in a CETA job. CETA's experiments with non-traditional job placements for women have also been highly successful. In short, a general cutback in federal employment programs hurts women workers the most, because these programs have played such an important role in upward mobility and self-reliance for women, especially the poor women and female household heads on whom the programs are specifically targeted.

Social Programs

Women and families headed by women are the principal beneficiaries of the social entitlement programs. I will speak here of income-tested programs, although it is worth noting that most social security recipients are women too. One of the great inconsistencies of the Reagan Administration's domestic program is a desire to reduce social programs while maintaining traditional conservative opposition to the employment of mothers. If women with children are not expected to support themselves, but one of seven families with children is headed by a woman, this view implies a very large transfer of resources from the tax dollars of workers who will take on this responsibility.

Of course, in the current severe recession, these financial supports are desperately needed and should not be cut out from under the poor when no jobs are available. But in a "full employment" economy, our longer range objective, there is no reason why women should not have as much right to a decent job and financial independence as a man.

To assert that women with children are not expected to work also implies a lesser commitment on the part of society to employment opportunities for these women. And this view -- so ingrained in the eligibility criteria for our social programs -- is why these programs have grown at such an alarming rate. They have grown because society's view of women's rights and responsibilities haven't caught up with the reality of a changing family structure in which a very large and growing percentage of families, especially poor families, are not supported by a male. Think back to the original concept of Aid to Families with Dependent Children -- payments to "widows and orphans" -- when the loss of a male breadwinner was an unusual and tragic happenstance. The eligible population is now very different and much much larger. And in these days of general economic distress, there is a danger

that many more poor families will become female headed so as to receive government support. But the problem cannot be solved by reducing payments to these families, as this will only increase their misery. Unless we provide jobs for women -- both expanding the overall economy and through government jobs programs -- the demands for AFDC, food stamps, and other social expenditures will continue to grow. It is extremely important to bear in mind that the growth in these programs is due less to "liberal generosity" than to the rapid growth in the population of eligible recipients.

It is simply not possible to deny women jobs at decent wages and cut social programs at the same time. As mentioned earlier, over 25 percent of divorced and separated women are on welfare. The Reagan Administration, with its anti-government bias is loath to track down men who fail to support their children. In other countries, garnishment of pay for child support is a routine matter. According to a 1979 Census Department survey, three-quarters of mothers who were separated or divorced from the child's father received not a single support payment and only eight percent received $1000 or more. With apparently no enforceable penalties for male abandonment, without putting these women to work at decent pay we end up with a huge poverty problem and a huge public responsibility.

All this adds up to the need for intensification of efforts in a number of areas: more and better jobs, training programs, emphasis on non-traditional jobs which are usually higher paying, and child care.

A word about child care. In five years, between 1980 and 1985, the number of preschool children with mothers working or wanting to work will double -- from around 6 million to 12 million. Yet nothing is being done to accommodate this need. We are the only country in the world where the growth

of the female workforce has occurred without a concomitant growth in child care facilities.

Causes of Women's Low Wages

Many women remain on welfare because, even if they find work it is at very low wages and with few fringe benefits. The availability of Medicaid and food stamps often makes welfare a "better deal" than work. A decade and a half of EEO legislation has been extremely important in aiding many women. Affirmative action is critically important too. But these clearly haven't been enough. What more needs to be done?

I have alluded to the view, aggravated by the recession, that women aren't as deserving of higher-paying jobs as are men. Of course, there are jobs that women have traditionally done, but these are also traditionally low-paid jobs, reflecting the view that if done by a woman the "just" rate of remuneration ought to be less.

Most women also have a double burden of housework and child care that competes for time and energy with labor force activities. Not every woman can be or wants to be the "superwoman" who shoulders both employment and homework as if she were both a full-time breadwinner and a full-time homemaker. While the possible ways to deal with this problem vary from increasing social services, increased male involvement in childcare and housework (in Sweden, for instance, parents are required to share post-natal maternity/paternity leaves for childcare), and increased flexibility in work arrangements, our society must recognize that employment conditions that were suited to a labor force that was predominantly comprised of males and childless women will have to be reconsidered. Women's low-paying occupational ghettos have often reflected women's needs for flexibility, providing flexibility in lieu of financial rewards. Women's double burden must

be recognized as a factor impeding the realization of our society's egalitarian goals. If women are to stand on their own feet, rather than to cling to society's coattails, we must begin to confront the full range of societal expectations women are called upon to fulfill.

Summary of Recommendations

- Increased economic growth to stimulate economy-wide employment
- Reinstatement of funds for CETA work experience and training, especially for women workers
- Increased emphasis on non-traditional work experience and training for women in CETA and in private employment
- Increased attention to childcare and related arrangements, especially for poor women
- Investigation of ways to increase paternal support of families, both financial support and participation in childcare and housework
- Recognition that women workers, particularly female household heads, have special needs requiring added flexibility. Women should not be relegated to low-paying, dead-end jobs simply because of these needs.

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Representative REUSS. Thank you, Ms. Barrett.

Because I'm sensitive to the problems of afternoon traffic and want to make sure that Mr. Marshall meets his plane, I'm going to ask Ms. Stein to withhold her testimony for just a minute and inquire whether there are questions that we have of Mr. Marshall so that he can be on his way.

I would have one. You referred to the administration's work-fare proposals and suggested that they weren't the right way to attack the problem of the work incentives. How do the jobs contemplated for welfare recipients under work-fare differ from the public jobs that used to be provided by CETA programs?

CETA PROVIDED ECONOMIC INCENTIVE TO WORK

Mr. MARSHALL. Well, one of the main differences, of course, is that under the CETA system there was an economic incentive to work. And what you hoped would happen—and I think in most cases did happen in local areas—was that the prime sponsors or others who ran the programs saw to it that people in the local areas did things that needed to be done, but workers got paid for it. I think in our system that's a very important principle—that is, that instead of working off your welfare, that you make a wage like everybody else does and to do something that really needs to be done in those areas—the kinds of things that were done, for example, such as home health care, which I thought was one of the very good programs. And I visited a number of these and was terribly impressed by them.

But the basic point was, whatever in the local community needed to be done, what frequently happened was—to pursue the home health care case—women who had been on welfare or men who were able to get into the first rung of an occupational ladder, into the health area, it didn't at first require a lot of training, but they got some. And they tended to take care of indigent people, sick people, in their homes.

Now, that served a lot of national needs. It helped prevent institutionalization of people, it helped train people and helped provide for the upward occupational mobility.

There are a lot of jobs in that category, rather than simply make-work.

I think that one of the problems with the work-fare system is it really does tend to be work-fare and therefore doesn't seem to be related to the regular work force because you don't attach wages to it and provide an incentive for people to move into paid employment.

I think that paid work was terribly important to the people who were involved in it. I remember once visiting such a project, and I tried to be the devil's advocate and pointed out to the people who were involved in it that they didn't seem to be making much more than they would have if they'd been on welfare and that the work they were doing was difficult and disagreeable, taking care of old people in their homes who were ill.

Almost a spontaneous combustion took place when I said that. They said:

This is tremendously different, because those people need us. This is important work. But also, you have to recognize that when we're on welfare, the welfare authorities decide how we spend our money. When we're earning money, we decide how to spend it.

I think that concept is extremely important, especially in a system like ours.

Representative REUSS. Congresswoman Heckler.

Representative HECKLER. Thank you, Mr. Chairman.

IMPACT OF TAXATION ON WOMEN

Mr. Marshall, in your prepared statement, you criticized the 1981 Tax Act. I would certainly criticize it as well, but perhaps for different reasons. There were provisions of the act that I found very difficult to accept, especially the provisions that related to the large oil companies—the relaxation of the windfall profits tax, which both parties supported, and which I though was totally unnecessary, to say the very least.

However, in your prepared statement, you criticized the Tax Act, saying that Federal income and social security taxes claimed 13 percent of personal income in 1960 and 15.9 percent in 1980. According to the Joint Committee on Taxation, these figures refer only to the average individual income tax and do not include the rapidly increasing social security tax rate.

However, there is one point that I wish to raise in terms of the 1981 Tax Act that I think had a very beneficial impact on low-income, working women and men. And since most of the working women are congregated at the lower levels of the income spectrum, I think this feature—tax indexing—has a particularly beneficial impact on women.

After the indexing provision was agreed upon for inclusion in the Tax Act and before the actual vote, I considered the bill—which I found mixed in terms of its desirability—and I felt very strongly that the indexing proposal warranted strong support.

The Joint Committee on Taxation provided my staff with figures showing the impact of this provision. They showed that for those earning $5,000 to $10,000 the percentage of income tax liability—or bracket creep—which could be eliminated by indexing was 19.3 percent.

For those earning between $10,000 and $15,000, bracket creep accounted for 8.4 percent.

For those earning between $15,000 and $20,000, bracket creep per year was 6.8 percent.

For the $20,000 to $30,000 bracket, it was 6.3 percent.

And in the $30,000 to$50,000 bracket, it was only 6.1 percent.

The horrifying figure, of course, is the fact that the women who were beginning to get off welfare and beginning to work—earning $5,000 to $10,000 a year—were penalized by the Tax Code to the rate of 19 percent per year through the hidden tax of bracket creep. And in fact, this would have gone enriching the Federal tax revenues year after year had the act not been passed.

Would you agree that at least that section of the Tax Act was beneficial and will have a beneficial effect on women?

Mr. MARSHALL. I agree with you that the Tax Act was mixed. I thought we needed a tax cut. We needed a tax cut: I would not have had a tax cut of that magnitude, a tax cut that would be that regressive with respect to income groups or one that would give assistance to people that didn't need it, which is what I think in fact happened.

Instead of using the opportunity to reform the Tax Act in ways that you've mentioned, to make them less regressive and have a more equitable impact on various income groups, that opportunity was lost in an across-the-board tax cut that in my judgment was too large.

You won't be able to make it up with budget cuts, and in the effort to make it up with budget cuts you'll get the weakening and elimination of some programs that are extremely important. And in essence, what the administration will do and what the Government will do will be to pay for that huge tax cut by going into the money markets and borrowing at very high interest rates, and tending to keep those interests rates up.

Those things seem to me to swamp the impact of the bracket creep and anything else that they would have done. I would have preferred to have reformed the system, rather than to have a tax cut of the magnitude that they did have or to index it.

Representative HECKLER. Would you say that it was fair to have the Government, through bracket creep and through the invisible tax of inflation, take a percentage such as 19 percent out of the wages of the lowest income wage earner, $5,000 to $10,000? I mean, this is outrageous.

Mr. MARSHALL. It is. I don't think that's fair, nor do I think it's fair to put a 95-percent tax on the earnings of welfare recipients who work, which is what is being done. And it creates a great disincentive to work.

The reason for my comment about the social security tax is that I would have done more to delay the increase in social security taxes, because that's an inflationary tax and it's also regressive, because of the cap. And it really hits workers and relatively low income people very hard. In fact, if you look at it—I've just been looking at some numbers, and combine the social security tax increases with what's happened in the tax cuts, the people who make less than about $50,000 a year by 1984 will pay more taxes, not less, under this system.

I think all those things needed to be addressed, and to have used this opportunity to make that system less regressive. I think we didn't, and that's unfortunate, and I'm not sure what the implications are of having passed a bad tax act to start with. I do believe that it's important to do whatever we can to rectify those injustices.

Representative HECKLER. I would not say that I agree with you in your total characterization of it as a bad tax act. I think there were many provisions of the Tax Act that were very, very good. The accelerated depreciation can increase our productivity, which is lagging in the world markets. I would agree with you, however, on the social security tax, which should have been corrected when we passed the last great round of increases. I objected to that omission at that time.

But I frankly think that when one looks at the impact of taxes on women, and realizes the number of women who are congregated at the lowest rung of the income ladder, we realize this has been the case for, lo, these many decades, despite all the things that Government has done and all the preaching that we—the women of the Congress, at least, and a certain number of the men—have offered to our colleagues. Nonetheless, we can see at least that this hidden tax which is really so substantial for the lowest income worker and at the lowest

income level has finally been brought out of the closet and been removed by the Tax Act. I happen to think that itself was a benefit for women.

Mr. MARSHALL. In fact, I think out of this whole experience we're likely to bring a lot of things out of the closet and that that will be at least educational for us. I think, for example, with respect to the depreciation allowances, they create new tax shelters because of the fact that they tend to be biased toward structures, for example, and in favor of certain kinds of companies. And you will do too much.

I think the other thing about productivity, I think that's terribly important, but I really believe that if you look at the things that could have been done to improve productivity, continuing investment in our people is one of the most important things that we can do, and it's where a lot of our competitors in the world have an advantage over us.

Representative REUSS. Thank you.

Congressman Richmond.

Representative RICHMOND. Thank you, Congressman.

JOB TRAINING PROGRAMS PARTICULARLY IMPORTANT DURING RECESSION

Mr. Secretary, you know recessionary times in a way are very helpful, because during a recession industry, for example, tends to modernize and to clean up its factories, improve the quality of its products. I can tell you that's going on in many companies with which I'm connected, using the recession to make sure that your equipment, your product, the quality of your product, your sales materials, everything is in as good shape as possible. Wouldn't this be an ideal time for the administration to understand that this is the time to attack unemployment, illiteracy, all of the programs that you and I and so many of our friends have worked so hard to build up instead of tearing them down? Isn't it during recessionary times that you need job training programs, that you need programs that take high school dropouts and get them their general equivalency test, give them the dignity of knowing that they can at least read and write?

What can we do to get across to this administration that a population that is illiterate and not trained for jobs is a terrible drag on the economy and will only continue the recession? It just won't help this economy.

Mr. MARSHALL. Maybe one way to do it is to emphasize the importance of having an illiterate operating a very expensive and dangerous piece of military equipment, which is the kind of thing I think we face. But I think you are absolutely right. The cheapest time and the time that the opportunity cost for everybody involved is lowest, to train workers is during a recession and during a depression, because the cost, of course, is unemployment and it would be much better for us to concentrate, I think, on programs to train, to educate, to give the long-term training and education that we need.

Now, to pursue your point, I think one of the things you're talking about that happened with plant and equipment won't happen with workers. This is exactly the time that we will create future labor shortages, because unemployed workers will not be trained and that human resource will be wasted now, even though it's the best time to do it. We rarely do it, and it would be a very good idea to be expanding those

programs and the time to do it automatically. That's why, as you know, I always advocate triggering these programs to unemployment so that it would be automatic and you wouldn't have to have a big debate about it. And to get sufficient forward funding of those programs, that you could do something about the education of people and have enough time so you can really help young people get educated and get into the workforce.

So I have always, for long, advocated that, believe that it's important for us to do, and believe that we're creating future inflationary pressures for ourselves now by not doing it because those shortages that are created now will show up as bottlenecks when the economy starts expanding.

Representative RICHMOND. Do you know job training programs that you designed that are in effect in New York City are now on a cutback basis? Yet, we figure it costs us $7,400 a year to take a high school dropout, give him or her a stipend, $3.35 an hour, provide 3 or 4 hours daily of instruction so they can become literate, and give them 3 or 4 hours of on-the-job training. So at the end of the year, for $7,400, we can take a 17-year-old high school dropout and make him or her into a dignified citizen who is ready to go out and apply for a job. What is the alternative to that? The alternative is 1 year in jail in New York City which costs us $30,000.

What's the other alternative? We're talking about the status of women. A woman, a young girl with no job, again a high school dropout, has only one easy out and that's to have a child. The minute she has that child, she then gets enough welfare to set up her own establishment at a cost to New York City again of $7,500, not counting medicaid. Now, in all likelihood that young girl didn't want to leave her family's house. She isn't really ready for the responsibility that comes with having a child. Basically she was just unhappy with her life. She couldn't read, she couldn't write, she wasn't trained for a job. She figured her only future was to go ahead and become the head of her own household so that she could go on welfare.

Now, we know all these facts, and I'm sure the administration knows the facts. And if only we could get these young people and get them into training programs, I'm sure we could cut down on unwanted births, we could cut down on welfare, we could cut down on crime. We know that the average young teenager does not really go out looking toward a life of crime. He only turns to crime because he feels totally hopeless. Nobody's helping him, he's got no guidance, he can't read, he can't write, he's not trained for a job. What can society expect of him?

And if we'd only get this across to the administration. How can we do it?

Mr. MARSHALL. I think this kind of hearing and discussion and debate, and trying to get public attention to the problems is about the main thing that we have to do. The political process, the discussion and debate, trying to educate the public to the issues—the issues are very complicated, and people frequently make up their mind on the basis of symbols and very superficial evidence. What I would commend to the Congress is that you do everything you can to publicize the very detailed evaluations that are being made of all these programs. The polls show that the people think they are popular, but

somewhere there is a short circuit in the political process. There are a lot of things that people think ought to be done that the political process is not doing, and jobs and training is one of those things.

The other one of those things that I mentioned that people all believe we need to do something about, but the political process hasn't been able to deal with, is the problem of illegal immigration. I think that what we do is hold hearings and try to publicize things and debate people, and try to get public education and bring as much pressure as we can on people.

The thing that worries me about the decentralization of a lot of these programs in the places that I'm familiar is that you won't be able to get a critical mass to deal with a lot of issues at that level. You can, I hope, get a critical mass here in Washington to deal with the problems of the most disadvantaged of our people, but I'm convinced that in many State and local areas there will not be. Therefore, these things will go ignored. It seems to me that's one of the dangers that we faced.

Representative RICHMOND. You mentioned during our brief chat that you thought the administration wanted to do away with the Job Corps. Are they serious about that?

Mr. MARSHALL. I've heard that's one of the objectives. I don't know how serious they are about that.

Representative RICHMOND. What's your opinion of the program?

Mr. MARSHALL. I think it's a good program. It's been a program that's been in operation now for over 16 or 17 years. It has received support—wavering support, but bipartisan support by various administrations, and I would again recommend that before that is done, if it is contemplated, that a careful look be taken at the evaluations because they all show it's a very good investment for the country; that this Job Corps deals with the most disadvantaged and there's no cheating in the Job Corps. There are people with serious and multiple disadvantages. They come out of the Job Corps in an overwhelming number of instances to become productive and useful citizens, with the qualities of their lives improved greatly.

But I think that's the case with a lot of our programs. What we've been able to do with the Job Corps is to improve it through time. It's a better program than it was 15 years ago, and with many of these programs the perception problem is that you put it out if it doesn't work within a month, and you declare it a failure without realizing that what you do is you put a program in place as the best you can, and then let it evolve. And if you look at the Job Corps, it's a case where programs have evolved.

Many of these programs for women have evolved. Some of the targeted outreach programs to get women in nontraditional jobs are very much better today than they were when they were started.

I think instead of weakening the programs or scrapping them, the basic question ought to be how can we improve them? If it's not a good program, and some weren't, then it makes sense to scrap them. But to do it in a meat-ax way, regardless of whether they demonstrate their effectiveness, seems to me to be a serious mistake.

Representative RICHMOND. Thank you.

Representative REUSS. Representative Wylie.

Representative WYLIE. Thank you, Mr. Chairman.

I'm glad to see you here again, Mr. Marshall. I think it's easy to be critical of a program, but I would submit that the economic program of the Carter administration did not work and that we needed to try something different. I suppose it comes at no surprise that I might take that approach, but you suggest in here that the supply-side program is flawed by a carrot for the rich and a stick for the poor approach, that the personal across-the-board tax cuts are bad. But don't personal tax cuts have the same relative benefit for lower income people as they do for higher income people?

Mr. MARSHALL. I think you have to look at the total tax structure. Taxes are increasing for low income people.

Representative WYLIE. It's 5–10–10 across the board.

Mr. MARSHALL. I think you have to look at the total tax structure. What you have to do is look at what's happening to the social security tax, which has gone up. Look at what's likely to happen to State and local taxes as you shift responsibility to local areas, and excise taxes and real estate taxes will go up as a result of that activity. Then, if you put all that together, nobody who makes less than $50,000 by the time it's all over will benefit very much from tax cuts.

Representative WYLIE. Now, social security taxes were put on by the Carter administration.

Mr. MARSHALL. I'm not saying anything about who put them on. I'm saying who could take them off. We put the income tax on, too. That is, we had a tax bill, and I don't think you get very far by trying to say——

Representative WYLIE. Do you like the approach of the personal income tax, though, 5–10–10?

Mr. MARSHALL. I like the tax cut. I thought it was too great.

Representative WYLIE. I might agree with you that it was quite a bit too big too soon, but overall, that part of the tax program?

Mr. MARSHALL. Oh, we needed a tax cut. We needed to stimulate the economy and I applaud the efforts that are being made by Chairman Reuss and others to move the time of the tax cut forward. I think what's likely to happen if you don't do that, is that you're going to stimulate it too much when you don't need it and not enough when you do. But that the real problem with that is that you're going to run monumental budget deficits, in which the government will have to go into the money markets and borrow and keep the interest rates up. I'm worried about the fact that the interest rates——

Representative WYLIE. I am, too. I am worried about the deficit, of course, but the point I want to make here is that aren't the poor still better off with the tax cut than they would be if they hadn't had one?

Mr. MARSHALL. If they got one, the answer is "Yes." But if they don't get one, the answer is "No." And they're not going to get one.

Representative WYLIE. I don't know. The withholding statements have gone down.

Mr. MARSHALL. Well, but it seems to me that the thing that's important is to look at the total tax that's paid by people, not what happens to any particular tax. I could make the same argument by saying look at the social security tax. It's gone up, and therefore taxes

are going up. But I'm convinced that if you look at the total tax payments of people who make less than $50,000 when this system has a chance to work it's way out, you will find that there's very little, if any, improvement in the incomes of low income people.

Representative WYLIE. But isn't it better that the individual tax rates are cut than if they had not been cut?

Mr. MARSHALL. Well, what I would have done would have been to have made the system less regressive than it was, because I don't believe that the tax cut does a lot to stimulate investment. It does some. I think we need investment, but I think the thing that stimulates investment is sales.

Representative WYLIE. Aren't the poor more likely to benefit from a growing economic parlay than they are from the traditional redistribution of income programs?

Mr. MARSHALL. The poor are likely to benefit from declining unemployment. You know, all the evidence suggests that that's the thing that is really significant to them. And we're going to have increasing unemployment, and I think the high interest rates are going to choke off expansion. And I believe that unemployment will be a worldwide problem, and relatively-low-income people will have serious problems.

Representative WYLIE. I know you're in a hurry. I'd just like to follow up on Chairman Reuss's question with reference to work-fare.

Isn't work-fare better than welfare?

Mr. MARSHALL. Well, I think—work-fare? No. I would say that a welfare reform system that gave people an incentive to work is a better option than work-fare, that work for wages——

Representative WYLIE. A welfare program that gave them incentive to work, rather than suggesting that they work for the welfare?

Mr. MARSHALL. Regardless, yes. It seems to me we have a free enterprise system where people work for wages and where we provide economic incentives for people to work. And if you're going to have a forced work system, that's not free enterprise.

Representative WYLIE. You didn't like the CETA program then?

Mr. MARSHALL. I liked the CETA program. We paid CETA workers to work. But let me say I didn't start the CETA program. It wasn't my favorite.

Representative WYLIE. I liked the first part of it, the comprehensive and training program. But what about the second part, where you had public works and public service jobs?

Mr. MARSHALL. I think that all the evaluations that I see—and I commend those to you, the Brookings Institution has made one, the National Science Foundation has done one, the Urban Institute has done one, Mathematica has done one; and they all suggest, particularly after the CETA reauthorization in 1978, that we greatly improved the effectiveness of those programs.

Now, the problem, if there was make-work in the program, it was mainly a problem of State and local government.

Representative WYLIE. It started out as a $1½ billion training program, the title II program. Then, title XI and title IX jumped up, until it was a $10 billion program and the tail was wagging the dog, almost.

Mr. MARSHALL. I think we should have given more. Of course, you have to do what you have to do when you get to the basic problem. If

unemployment is very high, then I think you have to worry about training and unemployment.

But I believe that the direction of the program ought to be to give much greater attention to training and less to public service employment. Though, as I mentioned, I would try to trigger both of these so that they would be automatic stabilizers rather than automatic destabilizers.

Representative WYLIE. As frequently happens, the time is all too short. The chairman suggests that we let you go on and get your plane.

Mr. MARSHALL. Thank you, Mr. Chairman.

Representative REUSS. By doing an O. J. Simpson act, I'm sure you can make it.

Thank you, and good luck.

Now, Eileen Stein, a Washington attorney, thank you for your patience. And I'd like to hear from you.

STATEMENT OF EILEEN M. STEIN, ATTORNEY, WASHINGTON, D.C.

Ms. STEIN. Thank you, Mr. Chairman.

ADMINISTRATION'S BUDGET CUTS THREATS TO ANTI-DISCRIMINATION EMPLOYMENT PROGRAMS

I appreciate the opportunity to be here today to discuss the Government's policies in the area of employment discrimination and its effect on women.

In the mid-1960's, the U.S. Government undertook a commitment to equal employment opportunity for women. In 1963, the Equal Pay Act was passed. The following year, sex discrimination was included among the prohibitions of title VII of the Civil Rights Act of 1964. And in 1967, Executive Order 11246 was amended to prohibit employment discrimination on the basis of sex by Government contracts.

In the decade and a half which has passed since title VII became effective, considerable change in accepted employment practices has occurred. It has been established, for example, that denial of jobs to women because they are married or because they have small children is unlawful where these same conditions do not disqualify male applicants.

By amendment to title VII in 1978, Congress made it clear that women temporarily disabled by pregnancy or childbirth may not be treated more harshly than men temporarily disabled from other causes. Jobs closed to women by custom and tradition were opened.

Here in Washington, for example, we see a police force which is sexually integrated, where as little as a decade ago the idea of a female regular police officer was laughed at.

So-called female protective laws which set limits on the hours women may work and the weights they can be required to lift, and thereby excluded them from many of the higher-wage jobs in industry, were struck down.

The unfairness of most of these discriminatory practices is widely appreciated today. It is therefore difficult, but it is, at the same time, essential to remember that these practices were generally accepted norms a decade or two ago.

The difference in perception and in practice wrought over so short a period of time is the result of Federal policy against discrimination and the Federal enforcement efforts devoted to implementing that policy.

While many of the precedents that I have referred to come from cases brought by individual citizens acting as private attorneys general, they were brought to enforce Federal laws in a climate of Federal concern, against a backdrop of parallel Federal enforcement by the public attorney general.

Establishing the eligibility of women for nontraditional jobs would have been an empty exercise if access to them were limited only to a few token women. It is there that the federally sponsored concept of affirmative action becomes important.

Where an employer was found to have discriminated, the courts, in employment discrimination cases, ordered accelerated hiring or promotion of the groups that had been excluded in order to remedy the effects of discrimination.

Where an employer wishes to contract with the Federal Government, the Office of Federal Contract Compliance Programs of the Department of Labor, in enforcing Executive Order 11246, requires the employer to develop an affirmative action plan involving an analysis of underutilization of women and minorities and the causes of that underutilization, removal of discriminatory practices and of the adoption of goals and timetables for bringing the excluded group into employment in sufficient numbers to overcome the effects of past exclusionary practices.

The use of goals and timetables has proven to be necessary to remedy racial and sexual exclusion as the result of long-standing discrimination and has proven particularly effective in facilitating the entry of women into nontraditional jobs.

The efficacy of goals, ratios, and other numerical hiring, of training, and advancement measures, and the support given them by all three branches of the Federal Government, has prompted their voluntary adoption by some employers and unions. And such a voluntary affirmative action has been approved by the Supreme Court, in the case of *United Steel Workers of America* v. *Weber*, as fully in accord with the policy underlying title VII.

Despite the gains made through court interpretations of antidiscrimination laws on the one hand and through required and voluntary affirmative action plans on the other, the battle for equal employment opportunity for women has certainly not been won, as the eloquent testimony of the earlier witnesses must certainly have convinced you. Continued Federal enforcement of EEO policies is vital to further progress in redressing these inequities.

The changes in women's access to equal employment opportunity are so fragile and precarious because they are so recent. They cannot survive without continued Government support. Yet, the Federal enforcement effort is currently threatened in two major ways: by financial cutbacks and by philosophical retreat.

Budget cutbacks are a serious threat to the ability of EEOC and OFCCP to carry out their EEO and affirmative action enforcement responsibility. In the case of EEOC, budget and staffing reductions

seriously hamper efforts to reduce the chargeback log, so that the complaints of discrimination are processed within a reasonable time.

They also virtually eliminate EEOC's capacity to litigate on behalf of workers filing meritorious charges, which means that, where the employer is not willing voluntarily to redress unlawful conduct, only those victims of discrimination who are in a position to retain an attorney to sue on their behalf have a chance for vindication.

Budget cuts at OFFCP mean severe understaffing, elimination of travel necessary for training and for widespread and evenhanded enforcement efforts, and continued inadequate data processing.

Far more damaging than budget cutbacks, however, and far less understandable, is the apparent determination on the part of the current administration to withdraw Government support from the most effective techniques for achieving equal opportunity.

EEOC guidelines, including those on sexual harassment, have been targeted for abolition or modification. And proposals have been put forward to reduce the number of Government contractors subject to affirmative action requirements.

Most disquieting of all, however, is the stated intention of the Assistant Attorney General for Civil Rights to eliminate preferential hiring in advancement from the remedies sought by the Government in employment discrimination cases and to persuade the Supreme Court to overrule the *Weber* case, permitting voluntary affirmative action goals.

The development of ratios or numerical goals and quotas for hiring in the judicial setting occurred because other remedies tried were so often found inadequate to eliminate the effects of discrimination.

Available results of affirmative action plans, such as those required under Executive Order 11246, showed them often to be equally necessary and effective.

In my prepared statement, I have set forth several examples of the results achieved following the adoption of goals and timetables, in contrast to previous lack of success under simple nondiscrimination policies. And I will not repeat those at this time.

But specific numerical goals or quotas for the hiring, training, and assignment of women succeed where nondiscrimination injunctions or pledges fail, because discrimination against women has been so long-standing and so deeply ingrained in our society that sex-neutral behavior on the part of employers and unions is inadequate to correct it.

Historically, the rights of women were explicitly limited by law, and women were specifically excluded by law from many occupations, including my own. Deeply held beliefs and prejudices about a woman's place and women's capacities were prevalent even more recently, and persist even to the present.

Business is transacted and contacts are made at clubs and social functions which exclude women, without many of the participants being conscious of the discriminatory implications. The absence of women from nontraditional jobs has been so persistent that it has produced a tenacious belief on the part of many that women cannot perform in such jobs and, on the part of women, that they will not seriously be considered for such jobs. This, in turn, results in the steering and self-steering of women away from the types of training and experience that normally lead to such jobs and to the further reinforcement of stereotyped beliefs.

Good intentions and a neutral behavior are not enough to interrupt the cycle. Experience has shown that results are only achieved when specific sex-conscious numerical obligations are placed on an employer. Those who challenge goals or other numerical, affirmative action measures on the grounds that they are no longer needed or that they are unfair to white males or that they are inefficient and costly are ignoring the clear and persistent existence of discrimination.

Discrimination does persist in our society. Its continued existence is manifest in the employment statistics I've cited in my written testimony, which, for all the gains and changes they indicate, still show that, in absolute terms, women have far less access to high-paying, desirable jobs than would be expected if hiring and promotion were truly based upon ability and inclination.

The continued existence of discrimination means that hiring goals cannot be viewed in a vacuum where they might, indeed, appear unfair or a form of reverse discrimination, but must be seen as course corrections made to a system in which the momentum of generations of discrimination perpetuates inexorably the preferences white males have historically enjoyed and still enjoy today.

And the continuing discrimination with which we live carries with it societal costs that dwarf the inefficiency and expense claimed to result from affirmative action.

The proprietary of numerical affirmative action measures has been established, in numerous decisions of the Supreme Court and the lower Federal courts, for the executive branch to take the position that it will not demand such measures from employers who are proved to have discriminated and that it will oppose such measures even when they have been voluntarily adopted, which will have the most devastating effects on the fight against sex discrimination in employment. It will change—indeed, it has already changed the perception of employers that EEO is a high government objection, to a perception that there is little reason to fear the consequences of discriminatory policies and practices.

I believe it may well wipe out the progress toward true equality for women that we have lately seen during Democratic and Republican administrations alike.

Ultimately, it is a betrayal of that solemn commitment made to equal employment opportunity for women by this Government less than 20 years ago.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Stein follows:]

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Prepared Statement of Eileen M. Stein

In the mid-1960's, the United States government undertook a commitment to equal employment opportunity for women. In 1963, the Equal Pay Act was passed. The following year sex discrimination was included among the prohibitions of the most comprehensive employment discrimination legislation enacted by the federal government -- Title VII of the Civil Rights Act of 1964. And in 1967 Executive Order 11246 was amended to prohibit employment discrimination on the basis of sex by government contractors.

Not all the legislators who voted to add sex discrimination to the prohibitions of Title VII did so from the same motives, and not all of those whose motivation was opposition to inequality of opportunity for women foresaw the extent to which this law would eliminate long-accepted yet unjustifiable barriers to women's economic advancement.

In the decade and one-half that has passed since Title VII became effective, court decisions have applied it to a wide variety of factual situations, thereby developing the legal principles that today define the rights and obligations of workers, employers, unions and employment agencies. It has been established, for example, that denial of jobs to women because they are married[1/] or because they

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1/ Sprogis v. United Air Lines, 444 F.2d 1194 (7th Cir. 1971).

have young children[2/] is unlawful, when these same conditions do not disqualify male applicants. By amendment to Title VII in 1978, Congress made it clear that women temporarily disabled by pregnancy and childbirth may not be treated more harshly than men suffering from other types of temporary disability.[3/] Jobs closed to women by custom and tradition were opened. Police departments dropped overt barriers to women, as well as minimum height requirements that had indirectly and unnecessarily excluded them. The insurance industry practice of channeling men into "outside" claims adjuster jobs while limiting women to "inside" claims representative jobs where the salary and benefits were less, was struck down.[4/] As the Court of Appeals for the Fifth Circuit said in opening telephone switchmen jobs to women in Weeks v. Southern Bell Tel. & Tel. Co., 408 F.2d 228, (5th Cir. 1967):

> Men have always had the right to determine whether the incremental increase in remuneration for strenuous, dangerous, obnoxious, boring or unromantic tasks is worth the candle. The promise of Title VII is that women are now to be on an equal footing.

So-called "female protective laws" which set maximum limits on the hours women may work and the weights they can be called upon to lift (and thereby excluded them from many of the higher-wage jobs in industry) fell by the wayside for the same reason.

2/ Phillips v. Martin-Marietta Corp., 400 U.S. 542 (1971).

3/ P.L. 95-555, legislatively reversing General Electric Co. v. Gilbert, 425 U.S. 989 (1976).

4/ See, e.g., Wetzel v. Liberty Mutual Insurance Co., 508 F.2d 239 (3d Cir. 1975).

More recently, it has become established that Title VII is also violated where supervisors demand sexual favors from women employees in exchange for job security and advancement, or subject them to other types of sexual harassment, and where employers deliberately set wage levels lower for "women's jobs" than for men's jobs of comparable worth, thereby taking advantage of women's lack of bargaining power in the marketplace.

The unfairness of most of these discriminatory practices is widely appreciated today. It is therefore difficult, but at the same time essential, to remember that these practices were generally accepted norms a decade or two ago. The difference in perception and in practice, wrought over so short a period of time, is a result of the federal policy against discrimination and the federal enforcement efforts devoted to implement that policy. While many of the cases I have referred to were brought by individual citizens acting as "private attorneys general," they were brought to enforce federal laws, in a climate of federal concern, against a backdrop of parallel federal enforcement by the public Attorney General.

Besides discrediting specific policies that excluded women from jobs and hindered their advancement, Title VII cases brought by the Attorney General and the EEOC, as well as by private plaintiffs, established the necessity of affirmative remedies -- not merely prohibitory injunctions -- to remedy the effects of discrimination. Where an employer is found guilty of discrimination, the courts require not only the elimination of discriminatory policies and practices, not only the compensation of identifiable victims of discrimination through awards of backpay and whatever seniority or advancement is necessary to bring them to their

"rightful place," but also the establishment of goals and timetables for the hiring of qualified women and minorities, where necessary to remedy the exclusion of these groups from the workforce resulting from generations of discrimination.

Such affirmative measures to correct discriminatory practices have not been limited to Title VII defendants. Employers wishing to contract with the federal government are subject to the non-discrimination requirements of Executive Order 11246. In enforcing the Executive Order, the Department of Labor's Office of Federal Contract Compliance Programs requires contractors with 50 or more employees and contracts of $50,000 or more to have an affirmative action program. The program is based on a self-analysis of the contractor's pattern of employment of women and minorities in all job categories. It involves a quantitative analysis of the level of employment of women and minorities as compared with their availability in the workforce, and a qualitative analysis aimed at identifying and changing those employment practices producing an underutilization of women and minorities. On the basis of this analysis, the contractor is required to develop goals and timetables for each job group in which minorities and women are underutilized, and these goals and timetables are used to measure the success or failure of the affirmative action program in correcting identified discrimination.

The use of goals and timetables has proven to be necessary to remedy racial and sexual exclusion as a result of longstanding discrimination, and has proven particularly effective in facilitating the entry of women into non-traditional jobs. The efficacy of goals, ratios and other numerical hiring, training and advancement measures, and the support given them by all three branches of the federal

government, has prompted their voluntary adoption by many employers and unions. While some may be motivated by a desire to remedy the harmful effects to society as a whole caused by the exclusion of women and minorities from job opportunities, others undoubtedly take this step to reduce the possibility that they may be subject to discrimination suits. The Supreme Court approved such voluntarily adopted affirmative action measures in United Steelworkers of America v. Weber, 443 U.S. 193 (1979), when it struck down a challenge to an employer-union plan which provided that employees selected for an on-the-job training program qualifying them for advancement to craft positions would be 50% white and 50% black. The Court thereby recognized the lawfulness and appropriateness of quota-type measures to remedy discriminatory exclusion of minorities and women from traditionally white and male occupations.

Despite the impressive gains made through court interpretations of anti-discrimination laws and through required and voluntary affirmative action plans, the battle for equal employment opportunity for women has certainly not been won. It is well-known that women's average income is only 59% of men's average income; that the median income of women college graduates is nearly $2,000 less than the median income for all men; that women's occupational segregation is so pronounced that it would require about two-thirds of all women workers to change jobs for women's occupational distribution to match that of men. Though women's access to non-traditional jobs has been established in legal precedent, in practice women still remain overwhelmingly confined to low-paid, low-status jobs offering limited prospects for advancement. And hundreds of meritorious complaints of sex discrimination languish in the

backlog at EEOC.

Continued federal enforcement of EEO policies is vital to further progress in redressing these inequities. Yet the federal enforcement effort is currently threatened in two major ways -- by financial cutbacks and by philosophical retreats.

Budget cutbacks are a serious threat to the ability of EEOC and OFCCP to carry out their EEO and affirmative action enforcement responsibilities. In the case of EEOC, budget and staffing reductions seriously hamper efforts to reduce the charge backlog so that complaints of discrimination are processed within a reasonable time. They also virtually eliminate EEOC's capacity to litigate on behalf of workers filing meritorious charges, which means that where the employer is not willing voluntarily to redress unlawful conduct, only those victims of discrimination who are in a position to retain an attorney to sue in their behalf have a chance for vindication. And they virtually preclude the development of an effective program to investigate "pattern and practice" discrimination, which would direct enforcement efforts where they would be most productive in correcting systemic discrimination and its effects. Budget cuts at OFCCP mean severe understaffing, elimination of travel necessary for training and for widespread and equitable enforcement efforts, and continued inadequate data processing.

Far more damaging than budget cutbacks, however, and far less understandable, is the apparent determination on the part of the current administration to withdraw government support from the most effective techniques for achieving equal employment opportunity. EEOC guidelines, including those on sexual harassment, have been targeted for abolition or modification, and proposals have been put forward to

reduce the number of government contractors subject to affirmative action requirements. Most disquieting of all, however, is the stated intention of the Assistant Attorney General for Civil Rights to eliminate preferential hiring and advancement from the remedies sought by the government in employment discrimination cases, and to persuade the Supreme Court to overrule the Weber case permitting voluntary affirmative action goals and quotas.

The development of ratios or numerical goals and quotas for hiring in the judicial setting occurred because other remedies tried were often found inadequate to eliminate the effects of discrimination. For example, in 1972 the Mississippi State Highway Patrol, consisting of about 500 uniformed officers of whom none were black, was found to be discriminating against blacks in the hiring process; the court accordingly ordered the elimination of all discrimination and the implementation of a recruitment program directed at blacks. Two years later 91 new officers had been hired, but only 6 of them were black. The Court of Appeals, finding that a recruitment program alone was inadequate to "purge in two years a reputation which discriminatory practices of approximately 30 years have entrenched in the minds of blacks in Mississippi,"[5/] held that the relief ordered was insufficient, and directed the imposition of a temporary ratio requirement for the hiring of qualified black applicants.

5/ Morrow v. Crisler, 491 F.2d 1053, 1056 (5th Cir.) (en banc), cert. denied, 419 U.S. 895 (1974).

The effectiveness of such judicially ordered relief in remedying the exclusion of women from non-traditional jobs is well illustrated by the experience of AT&T under the consent decree which resolved the suit against it by the EEOC and the Department of Labor. During the six years that decree -- with its specific, numerical assignment requirements -- was in force, women's representation in management increased from 2.1% to 6.9%; in outside craft positions, from 0.2% to 3.9%; and in inside craft positions, from 6.5% to 17.2%.[6/]

Available results of affirmative action plans, such as those required under Executive Order 11246, show that the adoption of specific numerical goals produces equally substantial results without the necessity of litigation, compared with the inefficacy of other known techniques. In 1971, for example, there were 221 women employed in blue-collar occupations in the shipbuilding industry. The Executive Order had for three years required nondiscrimination on the basis of sex, but shipbuilding contractors were not required to adopt goals for the utilization of women in these positions. In early 1972 such a requirement was imposed on shipbuilding contractors. By early 1976, there were 4,223 women in blue-collar shipbuilding occupations; the percentage of women in these positions had jumped from 0.3% to 4.7% in just four years. Two interesting side effects were observed -- there was a drop in turnover rate, and applications from women snowballed as women began to be seen in these positions in greater number.[7/] Another compelling example occurred in California, where the State

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6/ Final Report filed in Equal Employment Opportunity Commission v. American Tel. & Tel. Co., Civil Action No. 73-149 (E.D. Pa. Jan. 17, 1979)

7/ Affidavit of John M. Heneghan, filed in Advocates for Women v. Marshall, Civil Action No. 76-862 (D.D.C. February 4, 1977).

Department of Industrial Relations required local labor-management coordinating committees to set realistic goals and timetables for women's participation in apprenticeship programs in January 1976. By November of 1978, the number of active women apprentices had more than doubled, although for the nine years preceding the requirement female apprenticeship had remained at about the same level.8/

Specific numerical goals or quotas for the hiring, training and assignment of women succeed where non-discrimination injunctions or pledges fail because discrimination against women has been so longstanding and so deeply engrained in our society that "sex-neutral" behavior on the part of employers and unions is inadequate to correct it. Historically, the rights of women were explicitly limited by law, and women were specifically excluded by law from many occupations, including my own. Deeply held beliefs and prejudices about a woman's place and women's capacities were prevalent even more recently, and persist even to the present. Business is transacted and contacts are made at clubs and social functions which exclude women, without many of the participants being conscious of the discriminatory implications. The absence of women from non-traditional jobs has been so persistent that it has produced a tenacious belief on the part of many that women cannot perform in such jobs, and on the part of women that they will not be seriously considered for such jobs. This in turn results in the steering and self-steering of women away from the types of training and experience that normally lead to such jobs and the further reinforcement of stereotyped beliefs.

Mere good intentions and neutral behavior are not enough to interrupt this cycle. Experience has shown that results are only achieved when specific, sex-conscious,

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8/ State of California, Dept. of Industrial Relations, Division of Apprenticeship Standards, "Growth of Women Apprentices in California 1967-1978."

numerical obligations are placed on an employer, either by the employer himself after self-scrutiny, or by courts or government agencies after judicial or administrative scrutiny, and he is required to meet them or explain why he did not.

Those who challenge goals or other numerical affirmative action measures on the ground that they are no longer needed, or are unfair to white males, or are inefficient and costly, are ignoring the clear and present existence of discrimination. Discrimination persists in our society, both in the form of isolated unjust acts and in the form of self-perpetuating institutional processes. Its continued existence is manifest in the employment statistics I have cited which, for all the gains and changes they indicate, still show that in absolute terms women are far from enjoying that degree of access to high-paying, desirable jobs that would be expected if hiring and promotion were truly based on ability and inclination. The continued existence of discrimination means that hiring goals cannot be viewed in a vacuum, where they might indeed appear unfair or a form of "reverse discrimination," but must be seen as "course corrections" made to a system in which the momentum of generations of discrimination perpetuates inexorably the preferences white males have historically enjoyed and still enjoy today. And the continued discrimination with which we live carries with it societal costs that dwarf the inefficiency and expense claimed to result from affirmative action.

Whether these affirmative action requirements are called goals, ratios, quotas or targets, there is nothing unconstitutional, unlawful or unfair about them so long as they are based on a sound analysis of what is necessary to correct discrimination and its effects, and so long as they do not unnecessarily trammel the interests of other groups. The Supreme Court has so held in Weber, where it approved a col-

lective bargaining agreement requirement that 50% of all employees selected for an on-the-job training program be black, and in Fullilove v. Klutznick, 448 U.S. 448 (1980), where it approved a statutory 10% set-aside of federal public works contract funds for minority businesses. The propriety of such measures has also been established in numerous decisions of the federal courts of appeals and district courts in Title VII and Executive Order cases.

For the executive branch to take the position that it will not demand such measures from employers who are proved to have discriminated, and that it will oppose such measures even when they have been voluntarily adopted, will have the most devastating effects on the fight against sex discrimination in employment. It will change -- indeed it has already changed -- the perception of employers that EEO is a high government priority to a perception that there is little reason to fear the consequences of discriminatory policies and practices. At best it will remove the incentive that has led employers and unions to take the steps and achieve the results detailed in the examples I have cited, and at worst it may well wipe out the progress toward true equality for women that we have lately seen during Democratic and Republican administrations alike. Ultimately, it is a betrayal of that solemn commitment made to equal employment opportunity for women by this government less than twenty years ago.

Representative REUSS. Thank you, Ms. Stein.

Representative Wylie, please proceed.

Representative WYLIE. Thank you, Mr. Chairman.

I didn't realize I was going to be called on first there, but I appreciate it—I think.

Ms. Bergmann, I have to take umbrage with your prepared statement where you state that the Reagan administration has declared economic war on women. As a matter of fact, I find it a little ridiculous for you to say that. On what basis do you make a statement like that?

Ms. BERGMANN. Congressman Wylie, I can understand that you would consider the statement somewhat extreme, but I believe that I have documented it.

Women need equal employment opportunity. And as you've just heard, we're going into reverse in equal employment opportunity. They need to get off welfare. And those women who have succeeded in getting jobs are being slapped in the face and essentially are going back on welfare.

They need training so that they can get into jobs which will pay a living wage for themselves and their children. And that training has been cut.

Representative WYLIE. But that hasn't just been cut for women.

Ms. BERGMANN. No; but as you heard, women need it more than others. And the training has been more effective for women.

Representative WYLIE. Do you have any statistics to show that?

Ms. BERGMANN. Well, I believe Ray Marshall——

Representative WYLIE. Well, he made the statement——

Ms. BERGMANN. Well, I've recently seen some data on a supported work experiment—from a New York experiment, which show that of all the people on whom this experiment was tried, the most progress, the most benefits were to AFDC mothers.

And I could give you the reference. I don't have it with me.

Finally, the budget cuts, which are going across the board, are not being targeted at things which even I might agree could stand some cutting.

The across-the-board cuts are being particularly destructive. They are hitting things like child-support enforcement, which is directly counterproductive to getting people off welfare. And we were making progress in that area. I believe we're going backwards now.

As has been mentioned——

Representative WYLIE. What you're saying is that more women benefit from welfare programs and child-support programs and AFDC than men.

Ms. BERGMANN. That's right.

Representative WYLIE. So if you have a national cut, a 5-percent cut or a 10-percent cut, then that's discrimination against women?

Ms. BERGMANN. No; I didn't say that the Reagan program is good for men and bad for women. I'm here to point out, however——

Representative WYLIE. You say the administration has declared economic war on women.

Ms. BERGMANN. Well, I think virtually every activity that the Reagan administration has done has hurt women, particularly poor women.

Representative WYLIE. Why would they want to do that, when there are so many more women than men?

Ms. BERGMANN. Well, I think they haven't seen the numbers, although I think President Reagan has seen them. Women are now starting to vote in ways that are different than men. I've recently seen some numbers which say that women are far less favorable to this administration than men are, particularly working women.

Representative WYLIE. What about the huge reduction in the estate tax? Doesn't that benefit women?

Ms. BERGMANN. I think that again will benefit very rich women. The vast majority of women have nothing to gain from an elimination of the estate tax. Most of them—most of the estates they got were exempt from it.

Representative WYLIE. Well, the idea of it was to benefit the not-so-wealthy women or rich widows, as the case may be, so I would have to disagree with you there, too. On page 3 of your testimony you say, "Another vital mechanism for encouraging employers to end occupational segregation by sex is back pay claims, which the administration is also trying to scuttle." Now I don't see how that's necessarily directed at women.

Ms. BERGMANN. Well, there again, the antidiscrimination activities of previous administrations have helped blacks and they've helped women, and so, the back pay claims have been most effective in motivating employers to change their practices so that they wouldn't have to suffer those back pay claims. And some of those claims run into millions of dollars.

Representative WYLIE. That's related more to women than to men?

Ms. BERGMANN. It's related to the problems of women and the problems of blacks, because what we're talking about here is back pay claims for remuneration for past discrimination. So I would say when you get rid of back pay claims, you're impacting badly on the opportunities of women and on the opportunities of blacks. Now my testimony does not relate to what the administration is doing to blacks. They also have gotten the idea.

Representative WYLIE. That wouldn't be related to sex though, anymore than this statement is related to sex.

Ms. BERGMANN. I'm not saying that the administration has put down only women. It has put down women, it has put down poor white people. It has put down black people in its programs. I'm not saying that women are the only ones. I'm saying that women are included very generously in the people who have been adversely affected by the administration programs. [Laughter.]

CETA PROGRAMS HAD POSITIVE EFFECT ON EMPLOYMENT OF WOMEN

Representative WYLIE. I doubt if the administration is directing its attention to just women, but Ms. Barrett, would you name a few of the jobs performed by women in CETA programs?

Ms. BARRETT. As you know, there are many different work experience opportunities in the CETA programs, and they're run by local prime sponsors. Some of them are run by local community-based organizations. In fact, in the later years of the CETA programs, a disproportionate number, a larger proportion of the prime sponsors were com-

munity-based organizations, and many of these were programs specifically designed to put women into nontraditional employment opportunities and nontraditional training programs. There was one, I remember, that was sponsored by Control Data, I believe. I'm not positive, but one of the computer companies that was training welfare women that had been previously on welfare, welfare mothers, for work in computer-related or electronics-related kinds of jobs. This was a demonstration project and was very, very highly successful. I might point out that your question of Professor Bergman regarding the data on experience that women had in these various CETA programs, the data that I referred to came from the Continuous Longitudinal Manpower Survey which was a survey of a very, very large sample of all CETA participants. It was a random sample of CETA participants.

Representative WYLIE. But most of the CETA participants were men. I saw the survey too. So if the CETA program is reduced, it's going to hurt men more than women.

Ms. BARRETT. I think I pointed out that according to the data in CLMS, the Continuous Longitudinal Manpower Survey, the poor women, low-income women, that worked at low wages before, prior to their CETA experience, were the greatest gainers. In fact, they were the only really large systematic gainers as a result of their CETA participation. Now it is true—let me say two things. I think that about 45 percent of the CETA participants in PSE–2 and 6, this is public service employment, were women, which is just about equivalent to their proportion in the labor force and, of course, in the welfare reform demonstration projects, they were a much higher percentage, because the eligibility criteria were that they had to be on welfare before, and that, of course, meant that they were mostly women. So that there were some programs within CETA that had a very high proportion of women.

Representative WYLIE. There were some programs within CETA that had a high percentage of women, but I don't think there were really all that many vis-a-vis the number of men that were employed in the program, but the real point I want to make here again is that it started out as a $1.5 billion comprehensive employment training program, which I supported and spoke in favor of, and almost before you could see the magic, it became a public works and public service jobs programs. Would you agree with that?

Ms. BARRETT. After the 1978 amendments were passed, the demographic profile of the participants changed rather dramatically. It was true, before the 1978 amendments that the CETA programs were very roundly criticized by myself as well as others, for not having an adequate representation of women. After the 1978 amendments, which put not only more stringent eligibility criteria on participants, but also lowered the wage ceilings, a lot of males didn't want to participate in the program. There was quite an increase in female participation.

Representative WYLIE. Well, wouldn't it be better to put that $10 billion that was allocated to the public works and public service jobs part of that CETA program into the private sector, so that we might employ women on a long-term basis, so we could really get them——

Ms. BARRETT. You've got several avenues, several recourses. It seems

to me we ought to also be expanding employment opportunities in the private sector. There's no question about that. From the testimony we just heard here, the private sector isn't doing all that well in providing high-paying jobs and training opportunities for women, and there's always going to be a group of individuals that the private sector doesn't want to touch. And I think that one of the big problems with CETA is that we all went out and looked at some of the CETA programs, as the Congress, I think in its wisdom, targeted the program to the very, very poor and unskilled and uneducated. This wasn't a Harvard University demonstration project; right?

Representative WYLIE. Don't you think there's a chance that the Reagan program might work, though, if we put more money into the private sector to create more private jobs?

Ms. BARRETT. Right now the unemployment rate is going up, Congressman Wylie. Even the President's own advisers are saying, your own economists are saying that it's likely that the unemployment rate is going to go up. Now I don't know what's going to happen when the unemployment rate goes above 9 percent, because I don't think it has ever gone that high.

Representative WYLIE. But the Reagan economic program has only been in effect since October, so there are probably some dislocations that could be attributed to previous budget deficits.

Ms. BARRETT. All I'm saying is that his own advisers, his own economists are saying that unemployment is likely to still go higher, and that worries me.

Representative WYLIE. It worries me.

Ms. BARRETT. There are forecasts down the road for next year, and I haven't seen the budget document or the economic assumptions; I don't think it's out yet. I suspect that they're still going to be showing in their economic assumptions very high employment. That means that you're going to have the effect that Chairman Reuss mentioned earlier. Animosity and resentment of women workers and feeling that women workers don't deserve jobs is just going to be aggravated for a long time. That means, you know, we were talking about—well, if the Reagan administration's program was in another year even, if they could get unemployment down into a reasonably acceptable range, we're talking about something different. But we're talking about 2, 3, or 4 years down the road, unemployment is still going to be very high. That means there needs to be some sort of Federal program where the poor can feel that something is being done for them, where the unemployment can feel that something is being done for them, other than having cheese at the end of a long line.

Representative WYLIE. What do you suggest in that regard?

Ms. BARRETT. I'm suggesting increasing funding for the CETA or programs like CETA.

Representative WYLIE. And we go right back around the same circle again.

Ms. BARRETT. My experience, when I was in the Labor Department in the Carter administration with CETA, was that it gave the poor a feeling that there was a place that they could go. There were never enough slots. There were never enough positions. There was always a scarcity of CETA jobs. If you just read what went on every summer in Washington, trying to get jobs for young people.

Representative WYLIE. I'm here to try to find out what is the right thing to do, and I'm a good listener, so if you would name for the record a few of the CETA programs that you think provided income and meaningful long-term employment for women, I'd be glad to have them. Could you do that, please?

Ms. BARRETT. I can provide you with some in writing, or I can say that there were a number of very small programs that were demonstration projects that were specifically aimed at putting women into nontraditional jobs. There were the work experience programs in PSE title II, for example, that varied tremendously in their effectiveness, because they were State and local programs that were administered with Federal guidelines, but by and large, there was the displaced homemaker program, that in many areas was highly successful. It was often the community-based organizations that ran the programs, were very committed, women's organizations that tried to not only provide jobs but a lot of psychological and emotional support to the participants.

And I just talk to people in so many communities that now tell me that all of this is collapsing. We have the experience here with a very small program, $6 million program, that people are very worried about. Funds are being cut off.

Representative WYLIE. Well, we've been going through that for several years. It's been cyclical, where we have unemployment.

Ms. BARRETT. These are very small programs. It costs more to store that cheese than to run this program.

Representative WYLIE. That's not a small program, I submit, $6 million.

Thank you, Mr. Chairman.

Representative REUSS. I'm certainly no expert on this, but I have seen now abandoned CETA programs which seemed to me used women employees usefully. Day-care centers, playground assistants, library associates, auxiliary police personnel. Those were all part of CETA, were they not?

Ms. BARRETT. Yes, definitely.

Representative REUSS. And I think one can add to the list. That doesn't account for $10 billion, but it still suggests that there was useful work being done, and now that it isn't being done, the public isn't getting the police protection, the library services, the recreational services it needs. And a lot of women, old and young, are on the unemployment rolls.

Representative WYLIE. There are some programs that are being continued, though, that are being continued through community development block grant program. Some of the CETA programs have been continued, I submit, Mr. Chairman. But I wonder—I think that's the philosophical question here—is the role of the Federal Government to try to provide money in these areas? Now as you suggest that's not $10 billion worth either, as far as that's concerned. But what I'm thinking is that most of the programs that were financed by CETA came through city recreational departments. I think your study will show that, too. And there were a considerable number of leaf-raking jobs and snow-removal jobs and that sort of thing, which doesn't seem to me to be meaningful employment. Now to be sure, that's better than no employment at all, but I think the money could be spent far better

in partnership with the private sector and maybe getting the money into the private sector to create long-term meaningful jobs. That's my point.

Ms. BARRETT. Congressman Wylie, it's not clear exactly what the right amount is. I can't say exactly what the right amount of spending on these programs is, and I'm not saying that we even should rely totally or even primarily on these programs, but these are individuals that private employers are not willing to hire, and the question is, what do we do with these people?

Representative WYLIE. Why wouldn't private employers be willing to hire women? I mean, I would think that the cost of discrimination to the private employer from not hiring women would be so costly that they wouldn't want to get into that position.

Ms. BARRETT. She may be illiterate. She may have five children, which many employers would find to be a potential handicap. She may have no work experience, and she's in the 30–40 age group.

Representative WYLIE. But if they were otherwise equally qualified, I don't know why the employer would opt in favor of the man.

Ms. BERGMANN. Let me pop in here, Congressman Wylie. I think what you're sort of implying, and this a lot of economists have stated, really—discrimination couldn't exist because if it did exist, if there were women who could be hired for less, they would be. Since they're not, it must mean there's something wrong with them. I have to disagree with the thrust of Nancy Barrett's testimony. There is something wrong with them. They're illiterate. They have too many children. Women are just as literate as men, believe me. I think what keeps employers from hiring them is tradition, and also the problem that there's a cost to breaking some of these patterns of occupational segregation. If you have 20 men in a shop and the next people you bring in are women to work with them as equals, some of the men are going to be unhappy and may create problems, which reduce the productivity of the establishment, perhaps temporarily. And employers don't want to bear that. They have to be forced to bear that. Now you may say, "Well, God, the last thing we want to do is reduce productivity."

What I would put to you, we are increasingly a society where if we don't break this syndrome of women having poor jobs, we're going to have a depressed class of women and their children and an increasingly large sector of women and their children on welfare. And Mr. Falwell isn't going to be able to do anything about that with his preaching, I assure you.

Representative WYLIE. I happen to be one of those men that think women are smarter than men, but be that as it may, I wanted to ask Mr. Marshall, before he left, but didn't get the chance, what percentage of union members are female. I think this may be a source of part of the difficulty. You mentioned a little earlier that women are becoming electricians and getting into the labor force in that area. We ought to look into that, I suppose. But just one question for the panel, generally, and then I'll conclude Mr. Chairman. I know you're anxious to conclude.

What changes in trends concerning women in the work force do you see occurring in the 1980's?

Ms. BERGMANN. I see a continuation of past trends. I see more women in the labor force. I see more women not having a man to depend on, because the divorce rates are going to continue to rise.

I think, by the way, that although there is no way that we can fight that—you can't pass a family act and reduce the divorce rate—I think what we have to do is try to minimize the economic consequence of these trends, particularly on children, because there are millions of children in poor families now, and when they get older, it's going to inhibit their lives. So, I think we have to make sure those children are supported in some way—hopefully out of private initiative rather than public initiative, through jobs for their mothers, jobs for their fathers, and insuring that both parents, even absent parents, send support to those children.

That is something that the Government has to do. That can't be done family by family, on a private basis. If you have a separated father or even a separated mother, it's a government duty to see that those orders, first of all are established, and enforced. If that means more intrusiveness, so be it.

Representative WYLIE. Should the Federal Government do anything?

Ms. BERGMANN. Well, there is a Federal initiative, called the Office of Child Support Enforcement. Its funds are being cut. That makes no sense. It's an increasing problem, and it's something which is counterproductive.

So, there are legitimate roles for the Government. Sometimes the Government has to enforce private obligations, you see. So it's a little paradoxical.

But when Mr. Stockman cuts the budget for those things, we're going backward in making these kids be supported by their own parents. You see, we're not going forward; we are pushing that toward Government relief.

Representative WYLIE. I see where you're going. But I'm not necessarily agreeing.

Ms. Stein.

Ms. STEIN. I would agree with Ms. Bergmann that we will see more women coming into the work force, but the type of jobs they will be getting, or whether they will get any job at all, or just join the ranks of the unemployed, I think depends on the state of the economy and it depends on the extent to which the Government is willing to maintain the support for EEO that it has undertaken in the past.

Representative WYLIE. Ms. Barrett.

Ms. BARRETT. I certainly agree wholeheartedly. The trends are all moving in the same direction, and whether or not the fruits of women's labor produce a GNP gap—I'm sorry, an earnings gap that remains at 60 percent, or whether or not it goes up, is going to depend on many of the things that we have talked about today.

Representative WYLIE. Ms. Verheyden-Hilliard.

Ms. VERHEYDEN-HILLIARD. I guess I just want to say that I don't think that women will move out of the labor force. I think it's going to go nowhere but up, for two reasons:

They have to eat; and they are going to have to earn their own money, because of what we know of what's happening.

And for the other reason which Ms. Bergmann said: That women are entitled to work at work which they enjoy, and to earn money doing it, just as men do.

But the bottom line for me will always be that if we don't do something about the little girls coming along, we will be putting band-aids on forever. And we have to really address that, because I also think

that when we begin to offer these options to little girls, and they understand them, and little boys see this happening at the same time, then little boys and girls grow up to understand that they will both work, and that they will both have equal participation in our society. And that is my goal.

Representative WYLIE. You see an upward trend in women's employment opportunities?

Ms. VERHEYDEN-HILLIARD. I don't know about opportunities. But I know women have got to earn their money. They've got to eat just like everybody else.

One of the things I did want to say—not to beat a dead horse about the CETA program—is that I do know one of the reasons that I came back to looking at little girls again is that, when I looked at the CETA programs, there were a number of them which were making an earnest effort to prepare women to work in nontraditional jobs, giving them opportunities to learn about these kinds of things. And some of them were relatively successful.

I think there were at least two or three which were national demonstrations, supported by the Women's Bureau, and I'm sure they could give you the facts and figures on those.

Representative WYLIE. I don't want to be left here with the statement that all CETA programs were bad. I have seen some good CETA programs in Columbus, Ohio, too. They had an excellent training program. I also saw that some of the money was being used, as I say, to rake leaves and to shovel snow and that sort of thing. And I just thought maybe that detracted considerably from the program, maybe it had gotten too big too soon, and therefore was difficult to administer.

Ms. VERHEYDEN-HILLIARD. What came out of it for me, that the Federal Government was doing and I thought should do at the CETA level, is something which the schools could have done if girls had been encouraged to take those vocational education courses and understand that these were opportunities for them there, at that time, as well.

Representative WYLIE. I think the panel has been very generous, Mr. Chairman, as have you, and I thank you very much.

Representative REUSS. You have provided creative tension in these hearings. [Laughter.]

We are very grateful. I have several volumes of questions to ask but since, quite honestly, you answered them all very excellently in your written and oral statements, I won't prolong the hearing, except to say that holding the hearing was one of the Joint Economic Committee's better ideas. And I am very grateful to the entire panel.

We now stand in adjournment until Friday, when we will have a session on unemployment. And the very attentive members of the audience are cordially invited to join us then.

Thank you very much.

The committee is adjourned.

[Whereupon, at 5 p.m., the committee adjourned, subject to the call of the Chair.]

[The following information was subsequently supplied for the record:]

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN 2401 VIRGINIA AVE., N.W. / WASHINGTON, D.C. 20037
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STATEMENT

REGARDING

THE EMPLOYMENT OF WOMEN AND ITS EFFECT ON THEIR FAMILIES

Submitted to the

Joint Economic Committee

March 1, 1982

by

American Association of University Women
2401 Virginia Avenue, N.W.
Washington, D.C. 20037

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN 2401 VIRGINIA AVE., NW / WASHINGTON, D.C. 20037
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The American Association of University Women, a national organization with a long tradition of addressing issues bearing on the advancement of women, is grateful for the opportunity to address the critical area of employment as it relates to women and their families.

Our society is in a transitional period where demographic, economic, and cultural changes are creating a profound shift in the relationship between home life and work life, particularly for women. In their testimony, Sen. Kassebaum, Rep. Schroeder, Dr. Barrett, and Dr. Bergmann provided the statistics that document this shift, and we will not repeat those figures. Clearly, however, the repercussions from this shift will be with us for the foreseeable future, and they create issues which belong not just to women, or families, or employers, or government at any level, but to everyone. We all have responsibility for working to resolve problems centering on these issues, and we cannot resolve problems unless we first define them properly.

Toward this end, AAUW has initiated discussions among a

number of constituencies concerned with issues generated by the conflict between family and work responsibilities--business, organized labor, and other interested organizations at the national and local levels. The immediate goals of this effort are to involve as large a representation of these groups as possible in identifying critical issue areas and to lay the foundation for multi-organizational coalitions to address them. Ultimately, AAUW hopes to promote and participate in actions by these coalitions that can impact public and private policies, local and national, which affect the relationship between home and work life.

AAUW's meetingsat the national level have resulted in a consensus that these groups can learn from one another and work together productively, though opportunities to do so have previously been limited. Replication of these meetings at the grassroots level across the country has only recently begun, and our findings are necessarily preliminary. One thing is certain, however, and it is that there is a well-spring of interest and concern about problems faced by working families in communities around the country. In Ankeny, Iowa, for example, a recent

Mayor's Commission on Families survey reflected the often-cited difficulty of balancing work and home-related schedules, with 36 percent of the Ankeny respondents reporting conflict. The stresses of balancing two sets of major responsibilities was also a predominant theme at a community forum held in Kankakee, Illinois, as was the inevitability of change on both fronts, the necessity of understanding this change, and the need for support systems in both sectors. Three Wyoming towns--Wheatland, Powell, and Sheridan--have plans for meetings to discuss a variety of employment issues including shared jobs, single-parents workers, and dual-career families. Some of the concerns to be addressed in Helena, Montana include sex roles and work, and age and re-entry into the job market. In New Jersey, plant closings and lay-offs have been cited as areas of serious concern. In other communities across the country, meeting agendas deal with topics as varied as planning for one's retirement years, the impact of workplace technology on women's employment opportunities, and stress management.

Though these grassroots meetings have just begun, one finding which bears on the relationship of federal laws and policies to working women and their families has emerged: There is no one

overriding issue among working families. These issues are exceedingly complex, and any solution such as "If only all companies provided flexitime" or "If only the government provided subsidized child-care" is too simplistic to resolve our national dilemma--although such initiatives may well have value in a given setting or as part of a more comprehensive approach. Moreover, such one-dimensional solutions do not get to the heart of what is needed for broad-based, long-term resolution of work and family life conflict--that is, widespread shared responsibility.

The conflicts posed for working women and men vary by age and life stage, marital status, occupation and income, geographical location, subcultural values, and other factors. Even a specific need (e.g., child-care or care for the elderly) does not lend itself to a single solution. The way an issue is resolved often depends on how it is manifested in a particular community or work setting and on the resources--human and other--which are available to resolve it. Communities best define their own needs and, given viable opportunities to work together, local businesses, governments, labor organizations, and other appropriate groups can begin to move toward meeting those needs at the community level.

However, community-level activity by itself cannot achieve the fundamental changes needed in our treatment of the relationship between family life and employment for women or for men. The federal government can and does set the tone and create environments which have implications for people's daily lives. In addition to this subtle influence, AAUW believes that there are also specific legislative and programmatic areas in which the federal government has a necessary and proper rôle to play in dealing with issues inextricably related to the quality of its citizens' lives.

The persistence and importance of issues surrounding employment and family life--underscored by the concern exhibited in those communities where discussions have been initiated--reconfirms AAUW's commitment to positions it has long espoused in a number of areas.

The Family Protection Act

The Family Protection Act, now divided into a series of bills which propose to strengthen the American family, in reality presents a domestic agenda that in no way reflects current sociological or economic findings about the changing nature of

family life in America. Provisions of the bill would be especially detrimental to women: for example, women who are single heads of households would be denied basic protections as a family unit.

Tax Policies

One of the more vexing problems which confront fiscal policy planners is the disparity between sound fiscal policies which are equitable and progressive and the recognition of the unique role women play as homemakers. Since homemakers do not earn wages, their contribution to the economy is not counted in monetary terms in the calculation of income. Thus tax benefits which accrue to two-earner families are not applicable to the single-earner household. A good case in point is the spousal IRA. Under the new tax law, an unemployed spouse may not set up an Individual Retirement Account (IRA). The working spouse may establish an independent IRA account in the name of the non-working spouse, but the contributions to both accounts cannot total more than $2,250. If both spouses were working, they could make contributions totaling $4000 in a single year.

From the perspective of tax law this type of policy makes

sense. It merely acknowledges that one income deserves only a single tax-free IRA. In reality, the inability of women to start their own pensions in tax-free funds, even if they are not wage-earners in the traditional sense of the word, negates the economic and social contribution of the homemaker and jeopardizes her retirement security. It is precisely this type of hidden inequity which must be addressed in future tax law legislation if women are to gain equal protection under the law while fulfilling their role as part of a family unit.

Social Security

An aging population combined with differing family and work patterns demands that retirement policy be a principal federal concern. The Social Security system harbors a number of practices which, though adequate and reasonably equitable when instituted in the 30's, now result in inadequate benefits for women.

AAUW supports mandatory earnings credit-sharing for working husbands and wives as a necessary step for families in which both parents work. Likewise, the non-working spouse must be adequately covered by the Social Security system. We also urge this Congress

to accept other legislation proposed by Representative Mary Rose Oakar: inheritance of earnings credits by surviving spouse or surviving divorced spouse; credit-splitting at divorce; and Social Security eligibility for disabled widows and widowers under sixty.

The Social Security system will face serious financial difficulties over the next 50 to 60 years. In light of the number of families that depend on this system, and who will continue, because of their low to moderate incomes, to depend on it even after pensions begin to play a larger role in retirement security, it is essential that the program remain a cornerstone of federal retirement policy.

The retirement needs of individuals and families cannot, however, be answered by a single all-encompassing system such as Social Security. In 1978, only 33% of the post-65 population received public or private pensions to supplement their Social Security--or only about one dollar in six of the elderly's total income. Though participation in pension plans is growing, their structure is still prohibitive to individuals who do not stay in one job for a long time or who have breaks in their employment record for childbearing or other reasons.

AAUW's recommendations for pension reform include: pension-vesting after one year; counting employment years before age 25 toward pension credits; portability of vested credits from one pension plan to another; liberalizing breaks-in-service rules to allow women to take time for bearing and raising of children.

Comparable Worth

Differing lifestyles and family structures necessitate that employment options and wages be comparable between men and women. Single heads of households, divorcees, widows and widowers, housewives who return to the job market are alien to the traditional picture of family and work needs. Yet these groups constitute larger and larger percentages of our work force and must receive the training and comparable wages that reward their contributions. When national productivity is at stake, it is the responsibility of the federal government to provide institutions and individuals with the financial assistance necessary to bring their skill levels into line with their abilities.

Women and men are entering careers which heretofore have been dominated by the opposite sex. This trend needs to be

encouraged, but there must also be assurances in federal policy that jobs of comparable worth are afforded equal pay. The concept of comparable worth is central to the freedom of individual family members to find employment which most closely suits their needs.

Cutback of Federal "Safety Net" Programs

The present Administration's proposed budget cuts for FY'83 will deal a severe blow to this country's working poor. The definition of the "safety net" has been altered so that only those people who can under no circumstances be expected to help themselves will receive federal assistance.

The family unit with a marginal income which is struggling to make ends meet will have their AFDC, Medicaid and day-care benefits cut out if the President's budget requests are granted by Congress. For many in this group, especially single parents who cannot afford to hire child-care and do not have anyone at home to take care of their children, the most sensible solution is to quit work.

Also in the FY'83 budget are proposals for cuts in food stamps, education and training programs, Medicaid and Medicare. Each of these has become an integral component of recipient

families' income structure. Their elimination or turning them back to states, where there is an inadequate tax base to support them, without regard for productivity, retirement security, or human needs, does not enhance this country's ability to deal with the growing diversity of family needs.

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